

COUNTY OF MUSKEGON

Muskegon, Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

PREPARED BY
DEPT. OF FINANCE & MANAGEMENT SERVICES/ACCOUNTING

JOSEPH W. SIEDENSTRANG, CPA
ACCOUNTING MANAGER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

County of Muskegon
Muskegon, Michigan

September 30, 2003

BOARD OF COMMISSIONERS **PAUL T. BAADE, CHAIRMAN**

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CHARLES BUZZELL
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JOHN SNIDER
NANCY WATERS
STEPHEN WISNIEWSKI

COUNTY ADMINISTRATOR
JAMES BORUSHKO

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MUSKEGON COUNTY

M I C H I G A N

990 TERRACE STREET, MUSKEGON, MICHIGAN 49442
(231) 724-6520 • FAX (231) 724-6673
ADMINISTRATION

BOARD OF COMMISSIONERS

Paul T. Baade, Chair
Bill Gill, Vice-Chair
Douglas A. Bennett
Charles L. Buzzell
James J. Derezinski
Marvin R. Engle
Louis A. McMurray
Robert Scolnik
I. John Snider II
Nancy A. Waters
Stephen R. Wisniewski

December 16, 2003

To Honorable Paul T. Baade, Chairman, Members Board of Commissioners and Citizens of Muskegon County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Muskegon for the fiscal year ended September 30, 2003.

This report consists of management's representations concerning the finances of the County of Muskegon. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County of Muskegon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of Muskegon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of Muskegon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of Muskegon's financial statements have been audited by BDO Seidman, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Muskegon for the fiscal year ended

September 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Muskegon's financial statements for the fiscal year ended September 30, 2003, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County of Muskegon was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of Muskegon's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Muskegon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The County of Muskegon, incorporated in 1859, is located in the western part of the state, which is considered to be a strong employment area in the state, and one of the top tourism areas in the state. The County of Muskegon currently occupies a land area of 527 square miles and serves a population of 170,200 (2000 U.S. Census). The County of Muskegon is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County of Muskegon has operated under the elected Board of Commissioners form of government since 1968. Policy-making and legislative authority are vested in a governing Board consisting of the chairman and ten other members. The governing Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring. The administrator is responsible for carrying out the policies and ordinances of the governing county's body, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Board is elected on a partisan basis by district. Board members serve two-year terms.

The County provides a full range of municipal services. These services are either mandated by State statute or authorized by the County Board of Commissioners. These include legislative, judicial, public safety (police), health, mental health, welfare, culture, libraries, recreation, public improvements, wastewater treatment, solid waste disposal, transportation (airport and public transit), and general administrative services, including vital statistics and record keeping for births, deaths and property. Certain roadway services are provided by our component unit, the Muskegon County Road Commission.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue, and debt service funds are under formal budgetary control. All departments of the County of Muskegon are required to submit budget requests to the Administrator in February. The Administrator then presents a proposed budget to the Board for review. The Board holds public hearings in August and September and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Management can do transfers within funds at the departmental level without governing Board approval. Transfer of appropriations between funds, however, require special approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Muskegon operates.

Local Economy. The County's economic position remained stable. The commercial, industrial and tourism components of the economy continue to remain vibrant. Important individual companies in the County, their employment and business are as follows:

Brunswick Indoor Recreation Group - This company has approximately 365 employees and is in the leisure activities market, producing bowling equipment.

Verizon - This company, with regional offices locally, has approximately 450 employees and provides telecommunication services throughout the state of Michigan.

Howmet Turbine Components Corp. (A subsidiary of Alcoa Inc) - This company has over 1,900 employees. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy General Health Partners - This company employs approximately 2,400 employees and is the County's largest employer. They provide comprehensive health care services for the community. The Mercy General system also provides regional health care services which include heart and kidney specialty centers.

Knoll - This company is a wholly owned subsidiary of the Knoll Group, with approximately 380 employees. It manufactures quality office furniture, accessories, and modular furniture.

Sappi Fine Paper - This company has approximately 550 employees. They manufacture a high-grade coated paper used in the printing of fine quality products.

Dana Corporation/Perfect Circle Division - This company has approximately 550 employees and is a Fortune 500 company. They manufacture automotive piston rings and are the world's largest supplier. They maintain their division headquarters in Muskegon.

General Dynamics Corporation - This company has approximately 500 employees and manufactures military engines and is a large prime defense contractor in Muskegon County.

Michigan's Adventure - Muskegon County is home to the only amusement park in Michigan, featuring the state's largest water park and the world's third largest wooden roller coaster. It attracts over 550,000 visitors annually and employs over 1,000 in the summer season.

In addition, other significant employers in Muskegon County include: Hackley Health Systems (1300), Holland USA (365, automobile supplier), Adac Plastics (450), Meijer Inc. (1100, retail sales), Michigan State Government (2,000, prisons), Sun Chemical (400, paint pigments), and Acemco (250, auto parts).

Cash management policies and practices. Per Michigan Statutes Annotated (M.S.A.).843 (1) the Board of Commissioners has authorized the County Treasurer to invest surplus funds belonging to, or under the control of the county, in certificates of deposits, commercial paper, and direct obligations of the United States. The investment limits are 1) no more than 50% in commercial paper, and 2) any investment in commercial paper must have a rating within the three highest classifications of two standard rating agencies.

It is the county's policy to safeguard all investments to the maximum practicable and allowed by law. To this end, third-party safekeeping and collateralization is used where available. If these are not available, close monitoring of the investment's underlying security (usually the issuer) is made and continual evaluation is done as to the issuer's stability in the marketplace.

Idle cash of the County of Muskegon was invested in certificates of deposit, commercial paper, and money market funds in accordance with state law and local policy. The investment program yielded \$3,071,726 in 2002, and \$1,802,418 in 2003. Interest returns on investments in 2002 and 2003 were as follows:

| | <u>2002</u> | <u>2003</u> |
|-------------------------|-------------|-------------|
| Treasury Bills | 1.54-6.75 % | 1.11-5.85 % |
| Certificates of Deposit | 1.72-7.19 | 1.06-3.00 |
| Commercial Paper | 1.67-3.73 | 1.26-2.21 |
| Money Market | 1.50-2.75 | .563-1.61 |

The average daily investment was \$89.8 million. Treasury bills averaged \$24.3 million. Certificates of deposit averaged \$43.2 million. Commercial paper averaged \$12.7 million, and money market funds averaged \$9.6 million. This resulted in an average yield of 2.02 percent.

Investment of idle cash is one of the few means which the county has to increase revenues without increasing taxes or fees. Strong cash management efforts have made the county successful with its cash returns.

Retirement Obligations. The County of Muskegon participates in a multiple employer defined benefit pension plan for its employees. Each year an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County of Muskegon must make to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, the County of Muskegon fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the County of Muskegon's conservative funding policy, the County of Muskegon has succeeded as of December 31, 2002, in funding 93 percent of the present value of the projected benefits earned by employees.

The County of Muskegon also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 308 retired employees receiving these benefits, which are financed on a pay as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. Additional information on the County of Muskegon's pension arrangement and post-employment benefits can be found in Notes 8 and 12 in the notes to the financial statements.

Risk Management. Muskegon County's risk management program accepts the responsibility for recognizing, identifying, and controlling the exposures to loss or injury which are created by the activities of the various county departments. County of Muskegon policy with regard to risk management is to determine whether or not the risk poses a serious exposure to loss and if it does, then the decision is made as whether or not to cover the risk through a program of self-insurance, purchase of commercial insurance, or a combination strategy. The major types of risk with deductible are workers' compensation (\$300,000 deductible per occurrence), general liability (\$250,000 deductible per occurrence) and property damage (\$50,000 deductible per occurrence) with the excess being insured through outside insurance companies. The County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County's current general liability policy insures for \$25 million. Currently the Risk Management Fund is adequately funded.

Awards and Acknowledgments

In 2003, independent auditors were engaged for the twenty eighth consecutive fiscal year to perform an annual audit of the county's books of account, financial records, and transactions. The opinion of BDO Seidman, LLP, independent certified public accountants, is included in this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in

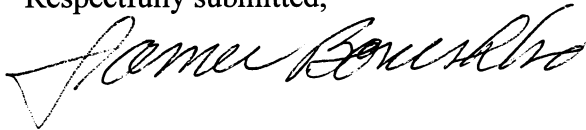
Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2002. This was the twenty fifth consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized (comprehensive annual/component unit) financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Management Services Department and particularly our accounting staff. I would like to express my gratitude to all members of the department. I would also like to thank you and the members of the Muskegon County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County of Muskegon in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Borushko". The signature is fluid and cursive, with a large initial "J" and a stylized "B".

James Borushko
Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Muskegon,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ELECTORATE MUSKEGON COUNTY



County of Muskegon
List of Elected Officials
September 30, 2003

COMMISSIONERS

STEPHEN R. WISNIEWSKI, DISTRICT 1
CHARLES L. BUZZELL, DISTRICT 2
I. JOHN SNIDER II, DISTRICT 3
JAMES J. DEREZINSKI, DISTRICT 4
MARVIN R. ENGLE, DISTRICT 5
NANCY A. WATERS, DISTRICT 6

DOUGLAS BENNETT, DISTRICT 7
BILL GILL, DISTRICT 8
LOUIS A. MCMURRAY, DISTRICT 9
PAUL T. BAADE, DISTRICT 10
ROBERT SCOLNIK, DISTRICT 11

COUNTY OFFICIALS

KAREN BUIE, COUNTY CLERK
JAN (JOHN) KOENS, COUNTY TREAS.
MARK F. FAIRCHILD, REG. OF DEEDS
GEORGE M. JURKAS, COUNTY SHERIFF

TONY D. TAGUE, PROSECUTOR
MARTIN L. HULKA, DRAIN COMMISSIONER
STEPHEN VALLIER, COUNTY SURVEYOR

DISTRICT COURT JUDGES

MICHAEL J. NOLAN
ANDREW WIERENGO, III

RICHARD J. PASARELA
FREDRIC A. GRIMM, JR.

CIRCUIT COURT JUDGES

JAMES M. GRAVES, JR.
WILLIAM C. MARIETTI

TIMOTHY G. HICKS
JOHN C. RUCK

FAMILY COURT JUDGES

NEIL G. MULLALLY-PART TIME
JOHN C. RUCK

WILLIAM C. MARIETTI-PART TIME
GREGORY PITTMAN

PROBATE COURT JUDGES

NEIL G. MULLALLY

GREGORY PITTMAN



BDO Seidman, LLP
Accountants and Consultants

801 West Norton Avenue
Muskegon, Michigan 49441-4155
Telephone: (231) 739-9441
Fax: (231) 733-0031

Independent Auditors' Report

To the Board of Commissioners of the
County of Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of and for the year ended September 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Muskegon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Muskegon County Road Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 15 through 29 and pages 94 through 101 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon's basic financial statements. The combining funds statements and schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining funds statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2003, on our consideration of the County of Muskegon's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

BDO Seidman, LLP

Muskegon, Michigan
December 12, 2003

Management's Discussion and Analysis

Management of the County of Muskegon offers readers of these financial statements a narrative overview of the financial condition and activities for the year ended September 30, 2003. Please read this narrative in conjunction with the review of our financial statements, financial statement notes and the transmittal letter.

Financial Statement Presentation

The financial statements presented herein include all the activities of the County of Muskegon and its component units using the format as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The County of Muskegon's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the financial statements themselves.

THE COUNTY AS A WHOLE

Government-wide financial statements. The "government-wide financial statements" are designed to provide readers with a broad overview of the County of Muskegon's finances, in a manner similar to a private-sector business. These statements are presented on the full accrual basis of accounting which when viewed from the economic resources measurement focus can be used to determine whether the County has improving or deteriorating finances.

The "statement of net assets" presents information on all of the County of Muskegon's assets and liabilities, with the difference between the two being reported as "net assets". Over the years, increases or decreases in net assets may serve as one indicator of the change in the financial condition of the County.

The "statement of activities" presents how the net assets changed during the period just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Example of timing differences are uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County of Muskegon that are primarily supported by tax and intergovernmental pass through revenues (*governmental activities*) from other functions that were created and intended to recover most or all of their costs through user fees and charges for services (*business-type activities*). The governmental activities include legislative, judicial, general county

government, public safety, health, welfare, culture, recreation, and debt service. The business type activities include solid waste management, wastewater and an international airport.

The government-wide financial statements include not only the County of Muskegon (*the primary government*) but also a legally separate Road Commission. The board of this organization is appointed by the County and there is a potential for liability to the County. The financial information of this component unit is reported separately from the financial information of the primary government itself.

Reporting on the County's major funds

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control and reporting of resources that are segregated for a specific purpose or activity with defined objectives. The County of Muskegon is required by State law to use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Muskegon are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the County's short term financing needs.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, informed readers may better be able to understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County of Muskegon maintains over one hundred fifty individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Community Mental Health, Managed Care, Brookhaven, and Water and Sewer Debt. All of these funds are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in the report.

The County of Muskegon adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparisons (original and final) have been provided for the major funds to demonstrate compliance with the budgets as required supplementary information. A comparison of budget to actual expenditures is provided for all non major governmental funds in the combining financial statements - governmental activities by fund type.

Proprietary funds. The County of Muskegon maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as “business-type activities” in the government-wide financial statements. The County uses enterprise funds to account for fairgrounds, delinquent taxes, solid waste, fly ash disposal, airport, transportation, water and sewer operations. Internal service funds are used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for central printing, building maintenance, building and equipment purchases, insurance and risk management. Because these services predominantly benefit governmental rather than business-type activities, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste, Airport and Wastewater Management, all of which are considered major funds of the County. Conversely, both internal service funds and other enterprise funds are combined into single column presentations in the proprietary fund financial statements. Individual fund data for the non major proprietary funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own operations. The accounting used for fiduciary funds is like that used for proprietary funds (full accrual).

Notes to the basic financial statements. The notes provide additional information that is important to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning the County’s budgetary information as it relates to the actual expended and certain pension information with the corresponding trend data.

The combining statements referred to earlier in connection with non major governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted previously, net assets may serve as a useful indicator of the County’s overall financial health. The County of Muskegon’s assets exceed liabilities by \$161,262,652 at the close of Fiscal year 2003.

The largest portion of net assets in the County (78%) are its fixed assets (land, buildings, machinery and equipment), less related debt outstanding used to acquire these assets. The County uses these fixed assets to provide services to Muskegon County residents and therefore, are not available for disposal to fund future projects or operations. Although the County’s investment in fixed assets is reported net of capital debt, it is noted that resources needed to retire this debt must come from future sources of revenue, as the assets themselves can’t be used to liquidate these obligations.

County of Muskegon Net Assets

| Major Categories | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Cash and Investments | \$25,195,818 | \$30,089,348 | \$38,986,311 | \$47,951,222 | \$64,182,129 | \$78,040,570 |
| Receivables | 24,419,839 | 26,495,561 | 9,810,425 | 10,859,414 | 34,230,264 | 37,354,975 |
| Other Current Assets | 60,239 | 113,628 | 1,153,468 | 1,544,878 | 1,213,707 | 1,658,506 |
| Long Term Assets | 1,000,000 | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| Fixed Assets | 64,600,478 | 64,938,564 | 119,658,793 | 111,871,254 | 184,259,271 | 176,809,818 |
| Total Assets | 115,276,374 | 122,637,101 | 169,608,997 | 172,226,768 | 284,885,371 | 294,863,869 |
| Other Liabilities | 26,227,925 | 31,788,633 | 15,261,488 | 13,537,774 | 41,489,413 | 45,326,407 |
| Long Term Liabilities | 38,446,118 | 40,399,354 | 43,687,188 | 46,649,389 | 82,133,306 | 87,048,743 |
| Total Liabilities | 64,674,043 | 72,187,987 | 58,948,676 | 60,187,163 | 123,622,719 | 132,375,150 |
| Net Assets: | | | | | | |
| Investment in fixed assets | | | | | | |
| net of related debt | 42,415,478 | 41,673,564 | 83,728,971 | 74,190,129 | 126,144,449 | 115,863,693 |
| Restricted | 7,443,540 | 10,581,280 | 3,670,124 | 8,946,543 | 11,113,664 | 19,527,823 |
| Unrestricted | 743,313 | (1,415,137) | 23,261,226 | 28,902,933 | 24,004,539 | 27,487,796 |
| Total Net Assets | <u>\$50,602,331</u> | <u>\$50,839,707</u> | <u>\$110,660,321</u> | <u>\$112,039,605</u> | <u>\$161,262,652</u> | <u>\$162,879,312</u> |

A portion (7%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$24,004,539) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (23%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

Governmental Activities:

Governmental activities decreased the County's net assets by \$237,376. This decrease was primarily due to decreases in investment earnings and capital grants. Other elements of the decrease are as follows:

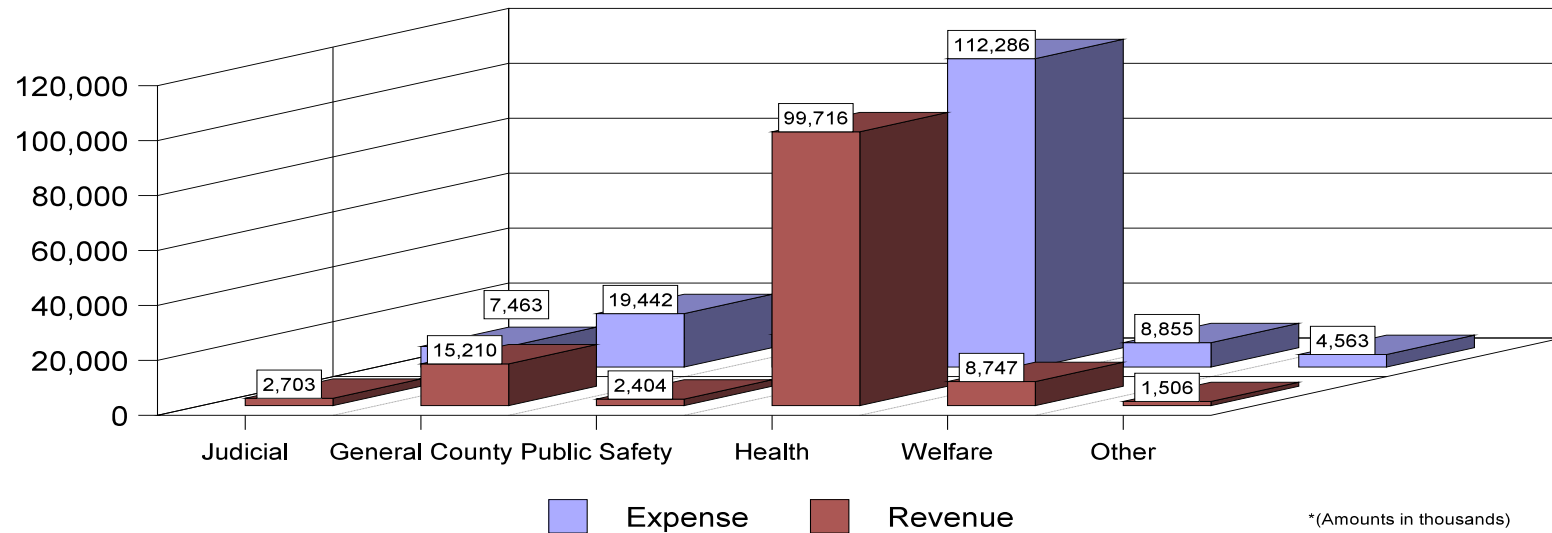
Muskegon County Changes in Net Assets

| | Governmental Activities 2003 | Governmental Activities 2002 | Business-type Activities 2003 | Business-type Activities 2002 | Total 2003 | Total 2002 |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|---------------|---------------|
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Operating Grants and Contributions | \$32,283,324 | \$33,340,106 | \$2,416,330 | \$2,371,601 | \$34,699,654 | \$35,711,707 |
| Charges for services/Sales | 97,202,683 | 77,062,856 | 17,017,537 | 16,926,078 | 114,220,220 | 93,988,934 |
| Capital Grants and contributions | 800,000 | 1,487,815 | 3,348,523 | 8,428,878 | 4,148,523 | 9,916,693 |
| General Revenues | | | | | | |
| Taxes | 23,196,374 | 22,013,150 | - | - | 23,196,374 | 22,013,150 |
| Investment Earnings | 927,447 | 1,567,050 | 874,971 | 1,504,676 | 1,802,418 | 3,071,726 |
| Rentals | 733,734 | 966,596 | - | - | 733,734 | 966,596 |
| Contributions from private sources | 649,743 | 180,182 | - | - | 649,743 | 180,182 |
| Gain(loss)on Sale of Assets | (41,920) | (27,413) | - | - | (41,920) | (27,413) |
| Other | 6,889,455 | 5,513,231 | 1,530,335 | 1,013,927 | 8,419,790 | 6,527,158 |
| Total Revenues | \$162,640,840 | \$142,103,573 | \$25,187,696 | \$30,245,160 | \$187,828,536 | \$172,348,733 |

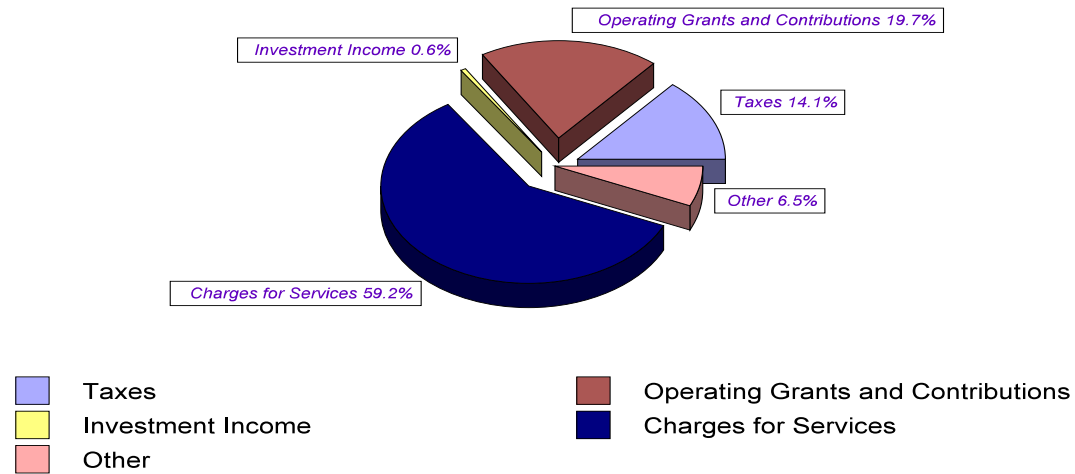
Muskegon County Changes in Net Assets (continued)

| | Governmental Activities 2003 | Governmental Activities 2002 | Business-type Activities 2003 | Business-type Activities 2002 | Total 2003 | Total 2002 |
|--|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------------|----------------------|
| Expenses | | | | | | |
| Legislative | \$369,305 | \$323,109 | \$ - | \$ - | \$369,305 | \$323,109 |
| Judicial | 7,462,674 | 7,030,697 | - | - | 7,462,674 | 7,030,697 |
| General County Government | 19,442,421 | 19,840,277 | - | - | 19,442,421 | 19,840,277 |
| Public Safety | 11,844,387 | 10,804,338 | - | - | 11,844,387 | 10,804,338 |
| Health | 112,285,843 | 89,691,075 | - | - | 112,285,843 | 89,691,075 |
| Welfare | 8,854,982 | 7,745,042 | - | - | 8,854,982 | 7,745,042 |
| Culture | 1,938,129 | 1,829,362 | - | - | 1,938,129 | 1,829,362 |
| Recreation | 790,474 | 690,957 | - | - | 790,474 | 690,957 |
| Other | 279,942 | 341,299 | - | - | 279,942 | 341,299 |
| Debt Service Interest | 1,130,245 | 1,065,731 | - | - | 1,130,245 | 1,065,731 |
| Debt Service Other | 54,913 | 61,382 | - | - | 54,913 | 61,382 |
| Solid Waste | - | - | 3,266,744 | 1,193,500 | 3,266,744 | 1,193,500 |
| Airport | - | - | 2,762,826 | 2,685,590 | 2,762,826 | 2,685,590 |
| Wastewater | - | - | 14,418,353 | 13,559,405 | 14,418,353 | 13,559,405 |
| Other proprietary funds | - | - | 4,543,958 | 5,327,035 | 4,543,958 | 5,327,035 |
| Total Expenses | 164,453,315 | 139,423,269 | 24,991,881 | 22,765,530 | 189,445,196 | 162,188,799 |
| Increase (decrease) in net assets before transfers | (1,812,475) | 2,680,304 | 195,815 | 7,479,630 | (1,616,660) | 10,159,934 |
| Transfers | <u>1,575,099</u> | <u>(1,360,566)</u> | <u>(1,575,099)</u> | <u>1,360,566</u> | <u>0</u> | <u>0</u> |
| Increase (decrease) in net assets | (237,376) | 1,319,738 | (1,379,284) | 8,840,196 | (1,616,660) | 10,159,934 |
| Net Assets - October 1, 2002 (as restated) | 50,839,707 | 49,519,969 | 112,039,605 | 103,199,409 | 162,879,312 | 152,719,378 |
| Net Assets - September 30, 2003 | <u>\$50,602,331</u> | <u>\$50,839,707</u> | <u>\$110,660,321</u> | <u>\$112,039,605</u> | <u>\$161,262,652</u> | <u>\$162,879,312</u> |

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



- Property taxes increased by \$1,183,000 (5 percent) during the year. This continued increase reflects the continued growth of retail within the County.
- Charges for services increased 25% resulting from doubling of intergovernmental transfers this year
- Other revenues increased by \$1,260,000 (20%) due to increases in reimbursement into internal service funds reflecting the increased cost of medical and health benefits.
- Investment income dropped by 41% due to reductions in the interest rates earned on idle cash.

Business-type activities. Business-type activities decreased the County of Muskegon's net assets by \$1,379,284, accounting for 83% of the total shrinkage in the government's net assets. Operational cost increases at the Wastewater and Solid waste sites accounted for the major change.

Financial analysis of the Government's Funds

As noted earlier, the County of Muskegon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

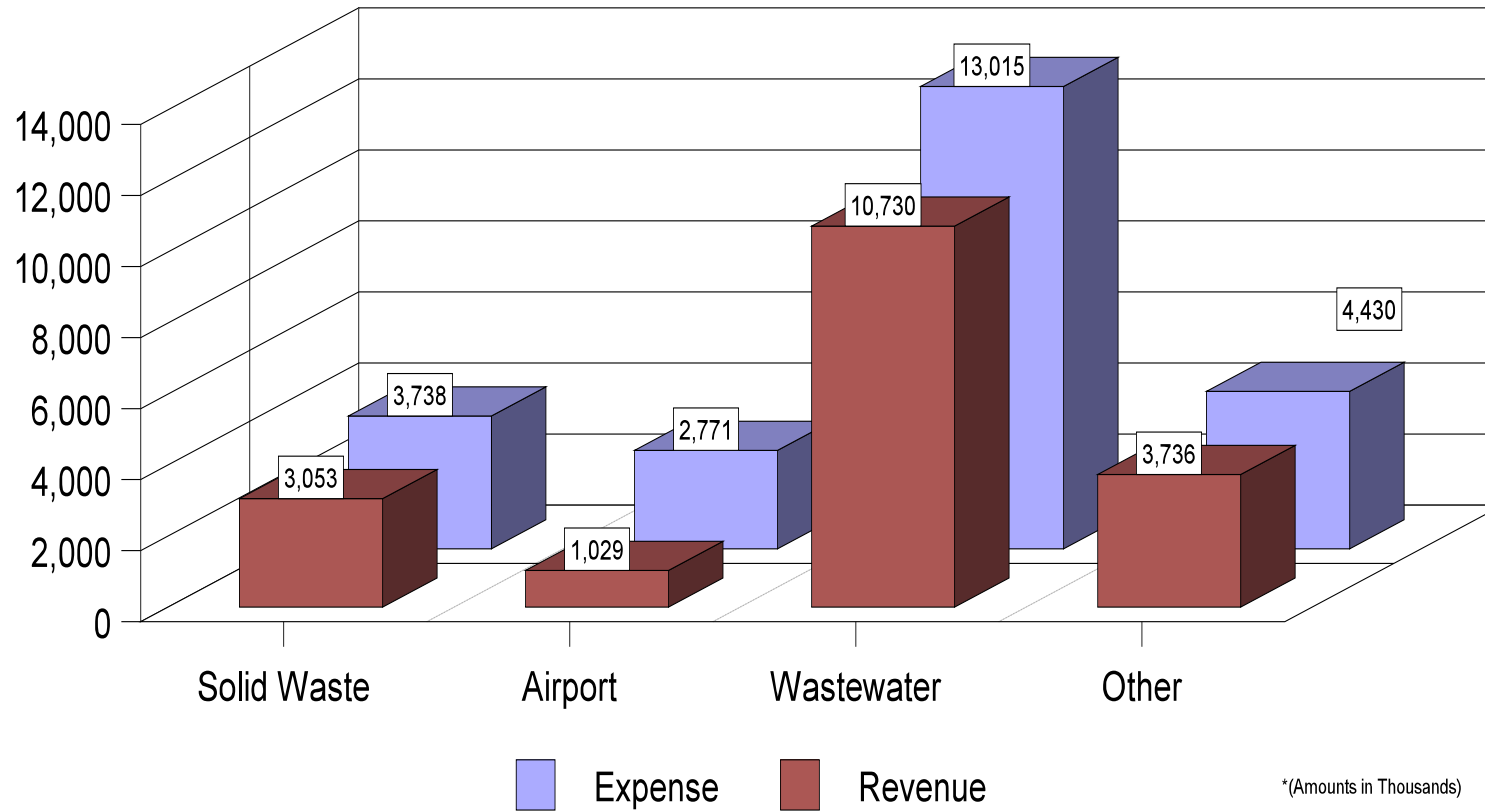
Governmental funds. The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the current fiscal year, the County of Muskegon's governmental funds reported combined ending fund balances of \$16,857,633, a decrease of \$2,780,925 in comparison with the previous year. Approximately 48% of the fund balance (\$8,025,475) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$3,200,552), 2) to pay debt service (\$1,713,255), 3) to cover a potential bad debt from a prior capital project (\$800,000), 4) to hold for future grant expenditures (\$2,470,787), 5) for perpetual care (\$58,946), or for long term advances to other funds (\$588,618).

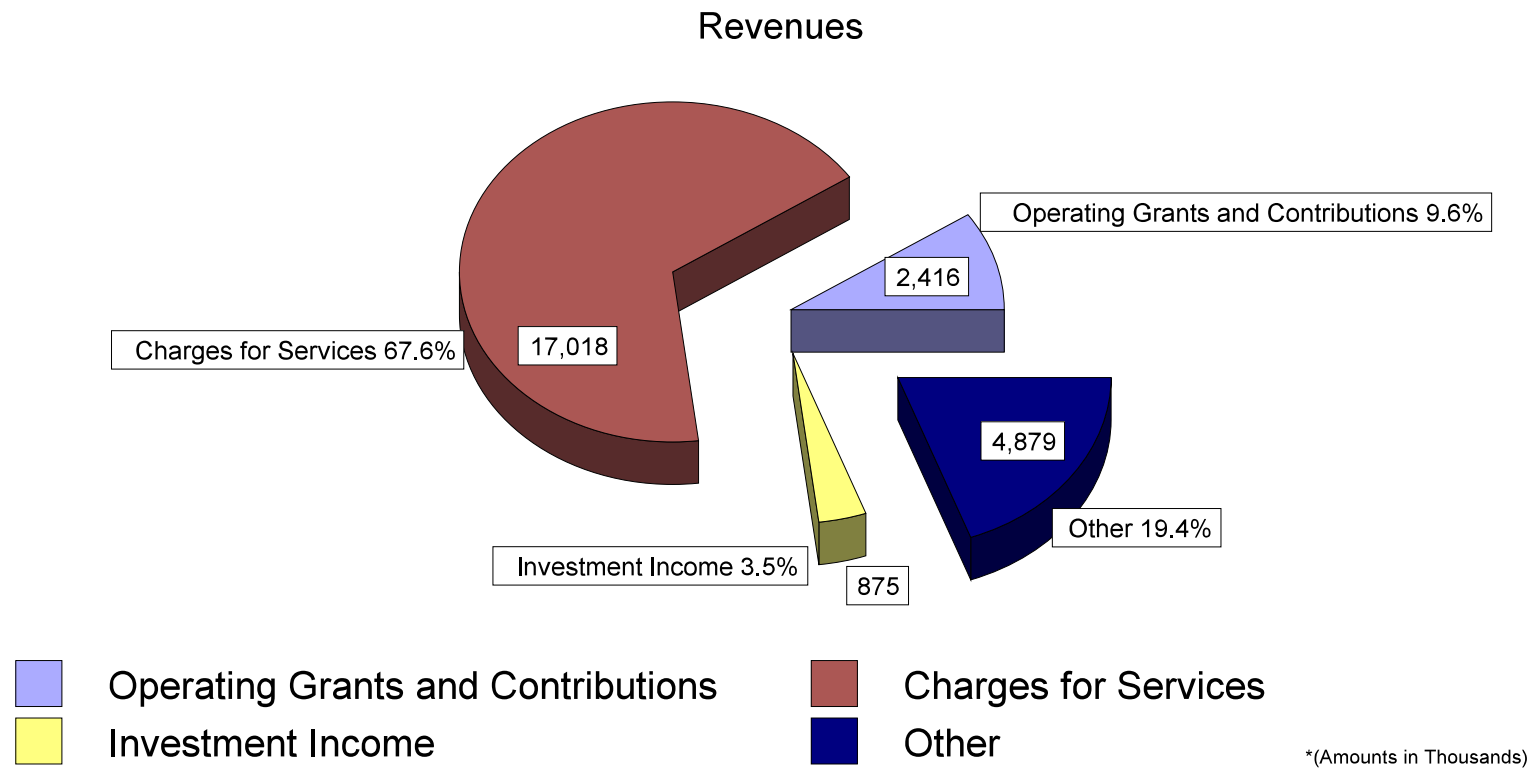
The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,587,398 while total fund balance was \$7,176,991. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 17% of total general fund expenditures, while total fund balance represents 18% of that same amount. A comparison to prior year percentages show that unreserved fund balance went up by 1 percent while total fund balance decreased by 2 percent.

Major revenue items contributed to the \$1,423,000 increase in revenues. Property taxes increased by \$1,183,000, operating grants and charges for services increased \$530,000 and interest earnings went down \$201,000. Expenses in general county government increase \$1,814,000 to account for the net decrease in fund balance of \$391,000.

Expenses and Program Revenues - Business-Type Activities



Revenues by source - Business-Type activities



The debt service fund has a total fund balance of \$1,713,255, all of which is reserved for debt service payments. The decrease in the debt service fund balance of \$771,423 reflects the governmental decision to only put amounts into the debt funds sufficient for debt payments currently due and payable within one year. There were no bond issuances during the year and principal and interest payments for the current year decreased by \$340,000.

Proprietary funds. The County of Muskegon proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the County Wastewater system were \$9,218,348, with the Airport and the Solid Waste site at \$249,186 and \$0, respectively. The total growth (reduction) in net assets for these three funds was (\$1,402,212), \$1,044,925, and (\$1,244,591), respectively. Other factors concerning these funds have already been addressed in the discussion of the County of Muskegon's business-type activities.

General Fund budgetary expenditure highlights

The decrease between the original budget and the final amended budget were very small (1%) and is briefly summarized as follows:

- Decreases in the general government category due to a gypsy moth program not being necessary
- Increases in transfers out due to increased levels of funding for grant programs

Budgeted expenditures increased by approximately \$474,000. The largest increase was in transfers to the Airport fund for operations due to the drop in airport enplanements (\$506,000). Total actual expenses came in under budget and allowed revenues to flow through as an increase in the fund balance.

Capital Asset Administration

Capital Assets. The County of Muskegon's investment in capital assets for its governmental and business-type activities as of September 30, 2003 amounts to \$184 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, lagoons, wastewater collection/distribution system, and capitalized interest and engineering. The total increase in the County of Muskegon's capital assets for the current fiscal year was 4%.

Major capital asset additions during the current fiscal year included the following:

- Michael E. Kobza Hall of Justice remodeling (\$1,278,000)
- Wastewater new line expansion (\$7,411,000)
- Continued runway expansion (\$1,720,000)
- Family Court Imaging system (\$725,000)
- Solid Waste Equipment replacement (\$1,532,000)
- Solid Waste New Cell Construction (\$3,320,000)

County of Muskegon's Capital Assets
(net of depreciation)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|---------------------|---------------------------------|----------------------|----------------------|----------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Land | \$4,078,102 | \$4,078,102 | \$13,895,672 | \$11,088,122 | \$17,973,774 | \$15,166,224 |
| Land Improvements | 3,660,640 | 3,805,932 | 11,844,209 | 9,560,427 | 15,504,849 | 13,366,359 |
| Lagoons | - | - | 6,650,136 | 6,746,456 | 6,650,136 | 6,746,456 |
| Buildings & Improvements | 51,944,848 | 51,771,148 | 15,836,395 | 16,601,345 | 67,781,243 | 68,372,493 |
| Machinery & Equipment | 4,916,888 | 5,283,382 | 6,355,620 | 5,562,080 | 11,272,508 | 10,845,462 |
| Wastewater collection and distribution system | - | - | 47,379,362 | 42,298,826 | 47,379,362 | 42,298,826 |
| Capitalized interest & engineering | - | - | 3,983,357 | 4,251,969 | 3,983,357 | 4,251,969 |
| Construction in progress | - | - | 13,714,042 | 15,762,029 | 13,714,042 | 15,762,029 |
| Total | <u>\$64,600,478</u> | <u>\$64,938,564</u> | <u>\$119,658,793</u> | <u>\$111,871,254</u> | <u>\$184,259,271</u> | <u>\$176,809,818</u> |

Additional information on the County of Muskegon's capital assets can be found in Note 6 of the "Notes to the Government Wide Financial Statements" of this report.

Long-term debt. At the end of the current fiscal year, the County of Muskegon had total bonded debt outstanding of \$72,865,000. Of this amount, \$22,185,000 comprises debt backed by the full faith and credit of the County; \$30,270,000 in revenue bonds backed by the County and participating municipalities; \$9,910,000 special assessment debt partially guaranteed by local municipalities; and finally, \$10,500,000 in delinquent tax notes backed by the property owners and secured by property tax liens.

The County's credit ratings was upgraded in 1998, 2000 and 2001. The current rating of A+ by Standard and Poors and a Moody's rating of A2 for general obligation debt is indicative of a stronger economy for the County and results in lower bond interest costs.

County of Muskegon's Outstanding Debt
General Obligation and Revenue Bonds

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002</u> |
| General Obligation Bonds | \$22,185,000 | \$23,515,000 | \$3,325,000 | \$3,620,000 | \$25,510,000 | \$27,135,000 |
| Special Assessment Debt with Governmental Commitment | 9,910,000 | 10,720,000 | | | 9,910,000 | 10,720,000 |
| Revenue Bond | | | 26,945,000 | 29,230,000 | 26,945,000 | 29,230,000 |
| Delinquent Tax Notes | | | 10,500,000 | 11,500,000 | 10,500,000 | 11,500,000 |
| Total | <u>\$32,095,000</u> | <u>\$34,235,000</u> | <u>\$40,770,000</u> | <u>\$44,350,000</u> | <u>\$72,865,000</u> | <u>\$78,585,000</u> |

The County of Muskegon's total debt decreased by \$5,720,000 during the current fiscal year. The decrease is attributed to normal debt payoffs of \$21,710,000 and the sale of the current year notes and bonds in the amount of \$15,990,000. The County issues notes each year to fund property taxes that are unpaid by the due date of March 1st.

The change in the ratio of net general obligation bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's relative debt position. The 2002 ratio was .36% with the bonded debt per capita at \$91.19. In 2003, the ratio is .32% with a bonded debt per capita of \$86.66. The reduction in both these indicators show a trend that has been occurring since 1996 showing that the County is growing satisfactorily without an increase in corresponding debt load.

Additional information on the County of Muskegon's long-term debt can be found in Note 7 of the notes to the financial statements.

Economic factors and General Outlook

For the period from October, 2000 through September, 2003, Muskegon County unemployment rates as compared to national rates were as follows:

| | <u>Employment Data</u> | | | | | | | |
|-----------|-------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | <u>2003</u> <u>County</u> | <u>2003</u> <u>USA</u> | <u>2002</u> <u>County</u> | <u>2002</u> <u>USA</u> | <u>2001</u> <u>County</u> | <u>2001</u> <u>USA</u> | <u>2000</u> <u>County</u> | <u>2000</u> <u>USA</u> |
| October | 8.9 | 5.8 | 6.6 | 5.4 | 4.5 | 3.9 | 4.7 | 4.1 |
| November | 9.3 | 5.9 | 7.9 | 5.6 | 4.3 | 4.0 | 4.4 | 4.1 |
| December | 9.0 | 6.0 | 7.9 | 5.8 | 4.0 | 4.0 | 3.8 | 4.1 |
| January | 10.6 | 5.7 | 9.3 | 5.6 | 5.7 | 4.2 | 4.6 | 4.0 |
| February | 10.3 | 5.8 | 9.2 | 5.6 | 6.3 | 4.2 | 3.8 | 4.1 |
| March | 10.3 | 5.8 | 9.3 | 5.7 | 6.5 | 4.3 | 3.9 | 4.1 |
| April | 8.8 | 6.0 | 8.4 | 5.9 | 5.7 | 4.5 | 3.6 | 3.9 |
| May | 9.6 | 6.1 | 9.0 | 5.8 | 6.6 | 4.4 | 4.0 | 4.1 |
| June | 11.2 | 6.4 | 10.0 | 5.8 | 6.9 | 4.5 | 5.0 | 4.0 |
| July | 12.0 | 6.2 | 10.2 | 5.8 | 7.1 | 4.5 | 5.3 | 4.0 |
| August | 10.4 | 6.1 | 8.9 | 5.8 | 6.0 | 4.9 | 4.5 | 4.1 |
| September | <u>9.8</u> | <u>6.1</u> | <u>8.8</u> | <u>5.7</u> | <u>6.1</u> | <u>4.9</u> | <u>4.7</u> | <u>3.9</u> |
| Average | <u>10.0</u> | <u>6.0</u> | <u>8.8</u> | <u>5.7</u> | <u>5.8</u> | <u>4.4</u> | <u>4.4</u> | <u>4.0</u> |

Muskegon County's unemployment rate has increased compared to 2000. This is attributed to weakening of the industrial base in the West Michigan area. Muskegon County's growth and improving image as a good place to live, work, and do business, will help to stabilize and improve the unemployment rate.

General

The economic climate in Muskegon and West Michigan is uncertain. Unemployment has risen to a ten year high. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Allowed free use of the New County Park for the “Oneness of Humankind Day” and the slavery ship Amistad
- Ran a full scale exercise for emergency and domestic preparedness in case of terrorism or chemical release
- Promoted and initiated the One Book/ One County program for increasing reading within the County
- Approved volunteers to run a canteen at the airport for early flights out of Muskegon
- Approved the next phase of the airport expansion to support jet service
- Developed and implemented a County online auction system to sell used equipment to the public
- Supported development of a cross lake ferry for service starting in 2004
- Installed an electronic medical records system to reduce storage costs and enhance retrieval
- Installed a new communications system for the emergency services disaster system
- Agreed to take over the administration of the County Veterans’ park
- Instituted a “pay it back” program for inmates to work on public projects for incarceration credit

Requests for Information

This financial report is designed to provide a general overview of the County of Muskegon’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Muskegon, Office of the Administrator, 990 Terrace St., Muskegon Mi. 49442, telephone (231) 724-6520, or e-mail at borushkoja@co.muskegon.mi.us.

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County of Muskegon

Statement of Net Assets

September 30, 2003

| ASSETS | Primary Government | | | Component Unit |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| | Governmental | Business - Type | Total | Road |
| | Activities | Activities | | Commission |
| Cash and cash equivalents | \$ 12,714,971 | \$ 19,998,963 | \$ 32,713,934 | \$ 3,300,390 |
| Investments | 14,568,702 | 16,899,493 | 31,468,195 | 114,431 |
| Receivables | | | | |
| Accounts | 3,960,828 | 1,710,542 | 5,671,370 | - |
| Intergovernmental | 5,926,624 | 3,711,678 | 9,638,302 | 2,344,632 |
| Accrued interest | 769,008 | 223,160 | 992,168 | - |
| Current taxes | - | 3,875,892 | 3,875,892 | - |
| Delinquent taxes | - | 3,684,364 | 3,684,364 | - |
| Interest and penalties on delinquent taxes | - | 1,928,370 | 1,928,370 | - |
| Special assessments | 8,430,088 | - | 8,430,088 | - |
| Other | 9,710 | - | 9,710 | - |
| Prepaid Items | 6,375 | - | 6,375 | 239,979 |
| Prepaid expenses | - | 128,920 | 128,920 | - |
| Internal balances | 3,235,726 | (3,235,726) | - | - |
| Inventories | 53,864 | 18,665 | 72,529 | 886,211 |
| Restricted assets | - | 1,005,883 | 1,005,883 | - |
| Long-term note receivable | 1,000,000 | - | 1,000,000 | - |
| Land | 4,078,102 | 13,895,672 | 17,973,774 | 4,849,424 |
| Capital Assets, net of accumulated depreciation | 60,522,376 | 105,763,121 | 166,285,497 | 12,943,937 |
| | <u>\$ 115,276,374</u> | <u>\$ 169,608,997</u> | <u>\$ 284,885,371</u> | <u>\$ 24,679,004</u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Net Assets
September 30, 2003

| | Primary Government | | | Component Unit |
|--|----------------------|-----------------------|-----------------------|----------------------|
| | Governmental | Business - Type | | Road |
| | Activities | Activities | Total | Commission |
| LIABILITIES | | | | |
| Payables | | | | |
| Accounts | \$ 5,597,752 | \$ 5,967,878 | \$ 11,565,630 | \$ 544,247 |
| Intergovernmental | 3,795,490 | - | 3,795,490 | 27,601 |
| Advances | - | 68,728 | 68,728 | 367,603 |
| Accrued liabilities | 7,125,559 | 8,901,789 | 16,027,348 | 143,078 |
| Payable from restricted funds | | | | |
| Accrued interest | - | 323,093 | 323,093 | - |
| Unearned revenue | 9,709,124 | - | 9,709,124 | 354,748 |
| Long-term debt | | | | |
| Due within one year | 5,794,561 | 11,435,000 | 17,229,561 | 27,387 |
| Due in more than one year | 32,651,557 | 32,252,188 | 64,903,745 | 246,492 |
| Total liabilities | <u>\$ 64,674,043</u> | <u>\$ 58,948,676</u> | <u>\$ 123,622,719</u> | <u>\$ 1,711,156</u> |
| NET ASSETS | | | | |
| Investment in capital assets net of related debt | 42,415,478 | 83,728,971 | 126,144,449 | 17,793,361 |
| Restricted for: | | | | |
| Special Revenue | 2,470,787 | - | 2,470,787 | 3,650,979 |
| Closure Costs | - | 3,670,124 | 3,670,124 | - |
| Capital Projects | 3,200,552 | - | 3,200,552 | - |
| Debt Service | 1,713,255 | - | 1,713,255 | - |
| Perpetual Care | 58,946 | - | 58,946 | - |
| Unrestricted | 743,313 | 23,261,226 | 24,004,539 | 1,523,508 |
| Total Net Assets | <u>\$ 50,602,331</u> | <u>\$ 110,660,321</u> | <u>\$ 161,262,652</u> | <u>\$ 22,967,848</u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

**Statement of Activities
For the Year Ended September 30, 2003**

| Functions/Programs | Expenses | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Unit |
|---|-----------------------|-----------------------|------------------------------------|----------------------------------|-----------------------|---|---|-----------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total | Governmental | Primary Government Business-Type Activities | Total | |
| Primary Government: | | | | | | | | | |
| Government Activities | | | | | | | | | |
| Legislative | \$ 369,305 | \$ - | \$ - | \$ - | \$ - | (\$ 369,305) | \$ - | (\$ 369,305) | \$ - |
| Judicial | 7,462,674 | 2,507,401 | 195,237 | - | 2,702,638 | (4,760,036) | - | (4,760,036) | - |
| General County Government | 19,442,421 | 7,324,480 | 7,885,047 | - | 15,209,527 | (4,232,894) | - | (4,232,894) | - |
| Public Safety | 11,844,387 | 706,104 | 1,697,542 | - | 2,403,646 | (9,440,741) | - | (9,440,741) | - |
| Health | 112,285,843 | 85,637,701 | 13,278,069 | 800,000 | 99,715,770 | (12,570,073) | - | (12,570,073) | - |
| Welfare | 8,854,982 | - | 8,746,720 | - | 8,746,720 | (108,262) | - | (108,262) | - |
| Culture | 1,938,129 | 444,463 | 249,661 | - | 694,124 | (1,244,005) | - | (1,244,005) | - |
| Recreation | 790,474 | 540,238 | 115,200 | - | 655,438 | (135,036) | - | (135,036) | - |
| Other | 279,942 | 42,296 | 115,848 | - | 158,144 | (121,798) | - | (121,798) | - |
| Debt Service | | | | | | | | | |
| Interest | 1,130,245 | - | - | - | - | (1,130,245) | - | (1,130,245) | - |
| Other | 54,913 | - | - | - | - | (54,913) | - | (54,913) | - |
| Total Government Activities | 164,453,315 | 97,202,683 | 32,283,324 | 800,000 | 130,286,007 | (34,167,308) | - | (34,167,308) | - |
| Business-Type Activities: | | | | | | | | | |
| Solid Waste (5710) | 3,266,744 | 1,760,803 | 10,831 | - | 1,771,634 | - | (1,495,110) | (1,495,110) | - |
| Airport (5810) | 2,762,826 | 905,788 | 30,172 | 996,968 | 1,932,928 | - | (829,898) | (829,898) | - |
| Wastewater (5920) | 14,418,353 | 10,655,879 | - | 1,970,000 | 12,625,879 | - | (1,792,474) | (1,792,474) | - |
| Other Proprietary Funds | 4,543,958 | 3,695,067 | 2,375,327 | 381,555 | 6,451,949 | - | 1,907,991 | 1,907,991 | - |
| Total Business-Type Activities | 24,991,881 | 17,017,537 | 2,416,330 | 3,348,523 | 22,782,390 | - | (2,209,491) | (2,209,491) | - |
| Total Primary Government | \$ 189,445,196 | \$ 114,220,220 | \$ 34,699,654 | \$ 4,148,523 | \$ 153,068,397 | (34,167,308) | (2,209,491) | (36,376,799) | - |
| Component Unit: | | | | | | | | | |
| Muskegon County Road Commission | <u>\$9,794,392</u> | <u>\$787,843</u> | <u>\$10,996,397</u> | <u>\$2,035,880</u> | <u>\$13,820,120</u> | | | | <u>\$ 4,025,728</u> |
| General Revenues: | | | | | | | | | |
| Property Taxes | | | | | | 23,196,374 | - | 23,196,374 | - |
| Investment Earnings | | | | | | 927,447 | 874,971 | 1,802,418 | 50,566 |
| Rentals | | | | | | 733,734 | - | 733,734 | 4,500 |
| Gain (Loss) on Disposal of Assets | | | | | | (41,920) | - | (41,920) | 58,150 |
| Donations | | | | | | 649,743 | - | 649,743 | - |
| Other | | | | | | 6,889,455 | 1,530,335 | 8,419,790 | 26,119 |
| Transfers | | | | | | 1,575,099 | (1,575,099) | - | - |
| Total General Revenues, Special Items, and Transfers | | | | | | 33,929,932 | 830,207 | 34,760,139 | 139,335 |
| Change in Net Assets | | | | | | (237,376) | (1,379,284) | (1,616,660) | 4,165,063 |
| Net Assets - Beginning of Year (as restated - see note 19) | | | | | | 50,839,707 | 112,039,605 | 162,879,312 | 18,802,785 |
| Net Assets - End of Year | | | | | | \$ 50,602,331 | \$ 110,660,321 | \$ 161,262,652 | \$ 22,967,848 |

The accompanying notes are an integral part of this statement.

County of Muskegon

Balance Sheet

Governmental Funds

September 30, 2003

| | General | Community | Managed | Brookhaven | Water | Other | Total |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| ASSETS | (1010) | Mental Health | Care | Medical Care | and Sewer | Governmental | Governmental |
| | | (2220) | (2222) | Facility | Debt | Funds | Funds |
| | (1010) | (2220) | (2222) | (2900) | (3650) | | |
| Cash and cash equivalents | \$ 810,459 | \$ 1,318,793 | \$ 987,872 | \$ - | \$ 1,199,240 | \$ 4,501,345 | \$ 8,817,709 |
| Investments | 651,416 | 1,207,788 | 741,387 | - | 1,019,002 | 3,803,719 | 7,423,312 |
| Receivables | | | | | | | |
| Accounts | 375,364 | 284,787 | 88,693 | 1,704,980 | 802,361 | 510,821 | 3,767,006 |
| Intergovernmental | 1,528,848 | - | - | - | - | 4,397,776 | 5,926,624 |
| Accrued interest | 634,354 | 24,027 | 6,420 | 608 | 12,123 | 37,970 | 715,502 |
| Special assessments | - | - | - | - | 8,430,000 | 88 | 8,430,088 |
| Other | 9,710 | - | - | - | - | - | 9,710 |
| Prepaid Items | - | - | - | - | - | 6,375 | 6,375 |
| Due from other funds | 4,519,508 | - | - | - | - | - | 4,519,508 |
| Inventories | - | - | - | 53,864 | - | - | 53,864 |
| Long-term advances to other funds | 588,618 | - | - | - | - | - | 588,618 |
| Long-term note receivable | - | - | - | - | - | 800,000 | 800,000 |
| | <u>\$ 9,118,277</u> | <u>\$ 2,835,395</u> | <u>\$ 1,824,372</u> | <u>\$ 1,759,452</u> | <u>\$ 11,462,726</u> | <u>\$ 14,058,094</u> | <u>\$ 41,058,316</u> |

County of Muskegon
Balance Sheet
Governmental Funds
September 30, 2003

| | General (1010) | Community Mental Health (2220) | Managed Care (2222) | Brookhaven Medical Care Facility (2900) | Water and Sewer Debt (3650) | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------------|---------------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| LIABILITIES AND FUND EQUITY | | | | | | | |
| Payables | | | | | | | |
| Accounts | \$ 616,645 | \$ 135,458 | \$ 1,581,923 | \$ 194,980 | \$ - | \$ 2,657,209 | \$ 5,186,215 |
| Intergovernmental | 60,225 | 2,047,370 | - | - | 1,421,353 | 266,542 | 3,795,490 |
| Accrued liabilities | 1,264,416 | 565,593 | 131,938 | 314,084 | - | 780,670 | 3,056,701 |
| Due to other funds | - | - | - | 395,463 | - | 2,036,190 | 2,431,653 |
| Long-term advances from other funds | - | - | - | - | - | 21,500 | 21,500 |
| Deferred revenue | - | 50,000 | - | - | 9,205,000 | 454,124 | 9,709,124 |
| Total liabilities | 1,941,286 | 2,798,421 | 1,713,861 | 904,527 | 10,626,353 | 6,216,235 | 24,200,683 |
| Fund Balances | | | | | | | |
| Reserved for long-term advances to other funds | 588,618 | - | - | - | - | - | 588,618 |
| Reserved for long-term note receivable | - | - | - | - | - | 800,000 | 800,000 |
| Unreserved | | | | | | | |
| Designated for Capital Projects | - | - | - | - | - | 3,200,552 | 3,200,552 |
| Designated for Special Revenue | 975 | 36,974 | 110,511 | 854,925 | - | 1,467,402 | 2,470,787 |
| Designated for Debt Service | - | - | - | - | 836,373 | 876,882 | 1,713,255 |
| Designated for Perpetual Care | - | - | - | - | - | 58,946 | 58,946 |
| Undesignated | 6,587,398 | - | - | - | - | - | 6,587,398 |
| Undesignated - Special Revenue | - | - | - | - | - | 1,438,077 | 1,438,077 |
| Total Fund Balances and other credits | 7,176,991 | 36,974 | 110,511 | 854,925 | 836,373 | 7,841,859 | 16,857,633 |
| Total liabilities and Fund Balances | \$ 9,118,277 | \$ 2,835,395 | \$ 1,824,372 | \$ 1,759,452 | \$ 11,462,726 | \$ 14,058,094 | |

Amounts reported for Governmental Activities in the
Statement of Net Assets are different because:

Capital assets used for governmental activities are not
current financial resources and therefore are not reported in
the Governmental Funds Balance Sheet. 60,119,117

Internal Service Funds are used by management to charge the costs of certain
activities , such as insurance and equipment leasing to individual funds.
The assets and liabilities of the Internal Service Funds are included in the
governmental activities in the Government-wide Statement of Net Assets 11,900,583

Long term liabilities are not due and payable in the current period and therefore
they are not reported in the Governmental Funds Balance Sheet (38,275,002)

Net Assets of Governmental Activities \$ 50,602,331

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2003

| | General (1010) | Community Mental Health (2220) | Managed Care (2222) | Brookhaven Medical Care Facility (2900) | Water and Sewer Debt (3650) | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------------|---------------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | | |
| Taxes | \$ 20,755,324 | \$ - | \$ - | \$ - | \$ - | \$ 2,441,050 | \$ 23,196,374 |
| Licenses and permits | 12,751 | - | - | - | - | 717,915 | 730,666 |
| Operating grants and contributions | 5,271,575 | 2,748,163 | 4,021,367 | - | - | 20,242,219 | 32,283,324 |
| Charges for services | 9,144,444 | 11,661,028 | 38,646,918 | 34,338,433 | 10,729 | 1,429,580 | 95,231,132 |
| Fines and forfeitures | 789,922 | - | - | - | - | 450,963 | 1,240,885 |
| Investment income | 458,299 | 87,345 | 26,739 | 5,428 | 15,719 | 135,855 | 729,385 |
| Rentals | 139,560 | - | - | 16,057 | - | 578,117 | 733,734 |
| Special assessments | - | - | - | - | 800,000 | - | 800,000 |
| Contributions from private sources | - | 26,029 | 576,030 | 142 | - | 47,542 | 649,743 |
| Other | 328,901 | 29,288 | 2,225,998 | 450 | 1,250 | 1,648,358 | 4,234,245 |
| Total revenues | 36,900,776 | 14,551,853 | 45,497,052 | 34,360,510 | 827,698 | 27,691,599 | 159,829,488 |
| Expenditures | | | | | | | |
| Current operations | | | | | | | |
| Legislative | 369,305 | - | - | - | - | - | 369,305 |
| Judicial | 5,920,342 | - | - | - | - | 1,499,505 | 7,419,847 |
| General County government | 11,902,426 | - | - | - | - | 4,593,517 | 16,495,943 |
| Public safety | 8,845,495 | - | - | - | - | 2,724,235 | 11,569,730 |
| Health | - | 14,644,407 | 46,134,559 | 35,033,302 | - | 14,544,573 | 110,356,841 |
| Welfare | - | - | - | - | - | 8,727,898 | 8,727,898 |
| Culture | 205,527 | - | - | - | - | 1,697,870 | 1,903,397 |
| Recreation | - | - | - | - | - | 605,818 | 605,818 |
| Other | 274,926 | - | - | - | 5,016 | - | 279,942 |
| Capital outlay | 2,740 | 28,670 | 36,288 | 63,635 | - | 3,302,491 | 3,433,824 |
| Debt service | | | | | | | |
| Principal payments | - | - | - | - | 810,000 | 1,330,000 | 2,140,000 |
| Interest | - | - | - | - | 35,750 | 1,094,495 | 1,130,245 |
| Other | - | - | - | - | - | 54,913 | 54,913 |
| Total expenditures | 27,520,761 | 14,673,077 | 46,170,847 | 35,096,937 | 850,766 | 40,175,315 | 164,487,703 |
| Revenues over (under) expenditures | 9,380,015 | (121,224) | (673,795) | (736,427) | (23,068) | (12,483,716) | (4,658,215) |
| Other financing sources (uses) | | | | | | | |
| Sales of Fixed Assets | 28,300 | - | 19,282 | - | - | 2,699 | 50,281 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Transfers in | 1,809,479 | 121,224 | 765,024 | - | 70,750 | 11,914,036 | 14,680,513 |
| Transfers (out) | (11,609,016) | - | - | - | - | (1,244,488) | (12,853,504) |
| | (9,771,237) | 121,224 | 784,306 | - | 70,750 | 10,672,247 | 1,877,290 |
| NET CHANGE IN FUND BALANCE | (391,222) | - | 110,511 | (736,427) | 47,682 | (1,811,469) | (2,780,925) |
| Fund balance at beginning of year (as restated - see note 19) | 7,568,213 | 36,974 | - | 1,591,352 | 788,691 | 9,653,328 | 19,638,558 |
| Fund balance at end of year | \$ 7,176,991 | \$ 36,974 | \$ 110,511 | \$ 854,925 | \$ 836,373 | \$ 7,841,859 | \$ 16,857,633 |

The accompanying notes are an integral part of this statement.

County of Muskegon

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities

For the Year Ended September 30, 2003

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|--|----------------------------|
| Net Change in fund balances - total governmental funds | (\$ 2,780,925) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation for the current period less outlays capitalized in the current period | (221,117) |
| The repayment of long term debt consumes current financial resources but does not effect net assets | 2,140,000 |
| Loss on the difference between the cost of a governmental asset and its accumulated depreciation is not recognized in governmental funds as it does not add to current financial resources | (92,201) |
| The accrual of sick and annual wages does not consume current financial resources but does reduce net assets therefore they are not reported in governmental funds | (208,519) |
| Due from other funds in the General Fund for cash deficits | 2,431,653 |
| Due to General Fund in Governmental funds | (2,431,653) |
| Long term advances to Governmental funds | 21,500 |
| Long term advances to Internal Service funds | 567,118 |
| Long term advances from General Fund | (588,618) |
| Long term advances to Internal Service funds | 134,951 |
| Long term advances from Proprietary funds | (134,951) |
| Due to proprietary funds | 1,282,822 |
| Due from internal service funds | (1,282,822) |
| Due from proprietary funds to the General fund | 2,087,855 |
| Due to General fund from proprietary funds | (2,087,855) |
| Internal service funds are used by management to charge the costs of insurance, printing, central facilities, equipment, risk management and tax collection to individual funds | |
| The net revenue of certain activities of internal service funds is reported with governmental activities | <u>925,386</u> |
| Change in net assets of governmental activities | <u><u>(\$ 237,376)</u></u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Net Assets

Proprietary Funds

September 30, 2003

| ASSETS | Solid Waste (5710) | Airport (5810) | Wastewater (5920) | Other Proprietary Funds | Totals | Governmental Activities Internal Service Funds |
|--|--------------------------|-------------------|----------------------|-------------------------------|----------------|---|
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | \$ 5,174,751 | \$ - | \$ 7,339,691 | \$ 7,484,521 | \$ 19,998,963 | \$ 5,985,117 |
| Investments | 4,372,760 | - | 6,202,174 | 6,324,559 | 16,899,493 | 5,057,535 |
| Receivables | | | | | | |
| Accounts | 257,832 | 124,637 | 1,277,526 | 50,547 | 1,710,542 | 193,822 |
| Intergovernmental | 1,716,624 | 987,458 | - | 1,007,596 | 3,711,678 | - |
| Accrued interest | 66,254 | - | 80,503 | 76,403 | 223,160 | 53,506 |
| Current taxes | - | - | - | 3,875,892 | 3,875,892 | - |
| Current portion of interest and penalties on delinquent taxes | - | - | - | 1,584,463 | 1,584,463 | - |
| Prepaid expenses | - | - | - | 128,920 | 128,920 | - |
| Inventories | 516 | - | 17,633 | 516 | 18,665 | - |
| Restricted Assets | 885,796 | - | - | 120,087 | 1,005,883 | - |
| Total current assets | 12,474,533 | 1,112,095 | 14,917,527 | 20,653,504 | 49,157,659 | 11,289,980 |
| NONCURRENT ASSETS | | | | | | |
| Long-term advances to other funds | 134,951 | - | - | - | 134,951 | 1,282,822 |
| Long-term note receivable | - | - | - | - | - | 200,000 |
| Delinquent taxes | - | - | - | 3,684,364 | 3,684,364 | - |
| Interest and penalties on delinquent taxes | - | - | - | 343,907 | 343,907 | - |
| Property and equipment at cost, net of accumulated depreciation | 6,880,457 | 19,469,415 | 84,156,860 | 9,152,061 | 119,658,793 | 4,481,361 |
| Total noncurrent assets | 7,015,408 | 19,469,415 | 84,156,860 | 13,180,332 | 123,822,015 | 5,964,183 |
| Total assets | \$ 19,489,941 | \$ 20,581,510 | \$ 99,074,387 | \$ 33,833,836 | \$ 172,979,674 | \$ 17,254,163 |

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon

Statement of Net Assets

Proprietary Funds

September 30, 2003

| | Solid Waste (5710) | Airport (5810) | Wastewater (5920) | Other Proprietary Funds | Totals | Governmental Activities Internal Service Funds |
|---|--------------------------|----------------------|----------------------|-------------------------------|-----------------------|---|
| LIABILITIES AND NET ASSETS | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts payable | \$ 1,233,396 | \$ 80,299 | \$ 4,600,087 | \$ 54,096 | \$ 5,967,878 | \$ 411,537 |
| Accrued liabilities | 81,632 | 108,485 | 775,999 | 281,442 | 1,247,558 | 4,068,858 |
| Advances payable | - | 16,183 | - | 52,545 | 68,728 | - |
| Accrued Closure Costs | 7,624,332 | - | - | - | 7,624,332 | - |
| Accrued Interest | - | 29,899 | - | - | 29,899 | - |
| Current portion of tax anticipation notes payable | - | - | - | 9,000,000 | 9,000,000 | - |
| Long-term debt payable in less than one year | - | 125,000 | 2,140,000 | 170,000 | 2,435,000 | 23,561 |
| Payable from restricted funds | | | | | | |
| Accrued interest | - | - | 323,093 | - | 323,093 | - |
| Total current liabilities | <u>8,939,360</u> | <u>359,866</u> | <u>7,839,179</u> | <u>9,558,083</u> | <u>26,696,488</u> | <u>4,503,956</u> |
| NONCURRENT LIABILITIES | | | | | | |
| Due to other funds | - | 2,087,855 | - | - | 2,087,855 | - |
| Tax anticipation notes payable | - | - | - | 1,500,000 | 1,500,000 | - |
| Land Contract Payable | - | - | - | - | - | 147,555 |
| Long-term advances from other funds | - | 1,282,822 | - | - | 1,282,822 | 702,069 |
| Long-term debt due in more than one year | - | 2,035,000 | 27,722,188 | 995,000 | 30,752,188 | - |
| Deferred revenue | - | - | - | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>5,405,677</u> | <u>27,722,188</u> | <u>2,495,000</u> | <u>35,622,865</u> | <u>849,624</u> |
| Total liabilities | <u>8,939,360</u> | <u>5,765,543</u> | <u>35,561,367</u> | <u>12,053,083</u> | <u>62,319,353</u> | <u>5,353,580</u> |
| NET ASSETS | | | | | | |
| Invested in Capital Assets, Net of related debt | 6,880,457 | 14,566,781 | 54,294,672 | 7,987,061 | 83,728,971 | 3,445,994 |
| Restricted for cell closure | 3,670,124 | - | - | - | 3,670,124 | - |
| Unrestricted | - | 249,186 | 9,218,348 | 13,793,692 | 23,261,226 | 8,454,589 |
| Total Net Assets | <u>\$ 10,550,581</u> | <u>\$ 14,815,967</u> | <u>\$ 63,513,020</u> | <u>\$ 21,780,753</u> | <u>\$ 110,660,321</u> | <u>\$ 11,900,583</u> |

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

County of Muskegon

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

For the Year ended September 30, 2003

| | Solid Waste (5710) | Airport (5810) | Wastewater (5920) | Other Proprietary Funds | Totals | Governmental Activities Internal Service Funds |
|---|--------------------------|----------------------|----------------------|-------------------------------|-----------------------|---|
| Operating revenues | | | | | | |
| Charges for services | \$ 1,760,803 | \$ 905,788 | \$ 9,581,084 | \$ 977,349 | \$ 13,225,024 | \$ - |
| Farm sales | - | - | 1,074,795 | - | 1,074,795 | - |
| Interest and penalties on delinquent taxes | - | - | - | 2,717,718 | 2,717,718 | - |
| Intragovernmental revenues | - | - | - | - | - | 13,635,177 |
| Other | 1,292,568 | 122,789 | 73,926 | 41,052 | 1,530,335 | 2,655,210 |
| | <u>3,053,371</u> | <u>1,028,577</u> | <u>10,729,805</u> | <u>3,736,119</u> | <u>18,547,872</u> | <u>16,290,387</u> |
| Operating expenses | | | | | | |
| Salaries and fringe benefits | 527,076 | 872,563 | 3,342,782 | 1,840,908 | 6,583,329 | 1,625,951 |
| Supplies and other operating expenses | 2,678,519 | 1,063,972 | 6,384,070 | 1,568,518 | 11,695,079 | 3,671,016 |
| Insurance benefits and claims | - | - | - | - | - | 1,277,289 |
| Insurance premiums | - | - | - | - | - | 7,577,931 |
| Interest expense | - | - | - | 227,938 | 227,938 | 24,487 |
| Depreciation and amortization | 532,638 | 834,916 | 3,288,418 | 792,364 | 5,448,336 | 1,134,479 |
| | <u>3,738,233</u> | <u>2,771,451</u> | <u>13,015,270</u> | <u>4,429,728</u> | <u>23,954,682</u> | <u>15,311,153</u> |
| Operating income (loss) | <u>(684,862)</u> | <u>(1,742,874)</u> | <u>(2,285,465)</u> | <u>(693,609)</u> | <u>(5,406,810)</u> | <u>979,234</u> |
| Non Operating revenues (expenses) | | | | | | |
| Operating subsidies | 10,831 | 30,172 | - | 2,375,327 | 2,416,330 | - |
| Interest income | 250,520 | 23 | 316,336 | 308,092 | 874,971 | 198,062 |
| Interest expense | - | (136,436) | (1,443,085) | (96,962) | (1,676,483) | - |
| Other | 471,489 | 145,061 | 40,002 | (17,268) | 639,284 | - |
| | <u>732,840</u> | <u>38,820</u> | <u>(1,086,747)</u> | <u>2,569,189</u> | <u>2,254,102</u> | <u>198,062</u> |
| Income before operating transfers and capital contributions | 47,978 | (1,704,054) | (3,372,212) | 1,875,580 | (3,152,708) | 1,177,296 |
| Capital contributions | - | 1,367,668 | 1,970,000 | 381,555 | 3,719,223 | - |
| Transfers in | - | 1,381,311 | - | 7,366,206 | 8,747,517 | 116,685 |
| Transfers (out) | (1,292,569) | - | - | (9,400,747) | (10,693,316) | (368,595) |
| | <u>(1,292,569)</u> | <u>2,748,979</u> | <u>1,970,000</u> | <u>(1,652,986)</u> | <u>1,773,424</u> | <u>(251,910)</u> |
| Change in Net Assets | (1,244,591) | 1,044,925 | (1,402,212) | 222,594 | (1,379,284) | 925,386 |
| Net Assets at beginning of year | <u>11,795,172</u> | <u>13,771,042</u> | <u>64,915,232</u> | <u>21,558,159</u> | <u>112,039,605</u> | <u>10,975,197</u> |
| Net Assets at end of year | <u>\$ 10,550,581</u> | <u>\$ 14,815,967</u> | <u>\$ 63,513,020</u> | <u>\$ 21,780,753</u> | <u>\$ 110,660,321</u> | <u>\$ 11,900,583</u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Cash Flows

Proprietary Funds

For the Year ended September 30, 2003

| | Solid Waste (5710) | Airport (5810) | Wastewater (5920) | Other Proprietary Funds | Totals | Governmental Activities Internal Service Funds |
|---|--------------------------|-------------------|----------------------|-------------------------------|---------------|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Cash Received from Customers/Other Funds | \$ 525,050 | \$ 924,457 | \$ 11,093,560 | \$ 1,890,188 | \$ 14,433,255 | \$ 16,529,414 |
| Cash Payments to Suppliers of Goods and Services | (490,956) | (1,015,569) | (6,280,460) | (1,692,621) | (9,479,606) | (12,855,482) |
| Interest Paid | - | - | - | (282,854) | (282,854) | - |
| Cash Payments to Employees for Services | (519,465) | (905,515) | (3,402,719) | (1,802,960) | (6,630,659) | (1,623,806) |
| Other receipts | 1,292,568 | 122,789 | 73,926 | (323,468) | 1,165,815 | - |
| Net cash provided by (used for) Operating Activities | 807,197 | (873,838) | 1,484,307 | (2,211,715) | (794,049) | 2,050,126 |
| CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Advances from (to) other funds | 29,102 | (70,871) | - | 23,563 | (18,206) | (59,102) |
| Operating Subsidies from Grants | 10,831 | 30,172 | - | 4,548,069 | 4,589,072 | - |
| Transfers (out) | (1,292,569) | - | - | (9,400,747) | (10,693,316) | (368,595) |
| Transfers in | - | 1,381,311 | - | 7,366,206 | 8,747,517 | 116,685 |
| Bond payments | - | - | - | (10,000,000) | (10,000,000) | - |
| Bond proceeds | - | - | - | 9,000,000 | 9,000,000 | - |
| Tax collections | - | - | - | 13,767,152 | 13,767,152 | - |
| Delinquent tax payments to municipalities | - | - | - | (13,978,878) | (13,978,878) | - |
| Net cash provided by (used for) noncapital financing activities | (1,252,636) | 1,340,612 | - | 1,325,365 | 1,413,341 | (311,012) |
| CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Bond Issuance | - | - | - | - | - | - |
| Principal payments on long term debt | - | (120,000) | (1,667,201) | (175,000) | (1,962,201) | (21,755) |
| Principal received on long term advances | - | - | - | - | - | 70,871 |
| Interest expense and agent fees | - | (137,966) | (1,511,364) | (101,714) | (1,751,044) | - |
| Purchase of fixed assets | (4,887,799) | (924,320) | (358,506) | (376,277) | (6,546,902) | (1,109,711) |
| Construction in progress | - | (797,232) | (6,231,855) | - | (7,029,087) | - |
| Sale of fixed assets | 12,000 | 145,053 | 32,840 | 614 | 190,507 | - |
| Insurance Payment | 782,935 | - | - | - | 782,935 | - |
| Capital contributions and grants | - | 1,367,668 | 1,999,432 | 381,555 | 3,748,655 | - |
| Net cash used for capital and related financing activities | (4,092,864) | (466,797) | (7,736,654) | (270,822) | (12,567,137) | (1,060,595) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Interest received from investment pool | 258,384 | 23 | 340,935 | 295,737 | 895,079 | 196,877 |
| Net cash provided by investing activities | \$ 258,384 | \$ 23 | \$ 340,935 | \$ 295,737 | \$ 895,079 | \$ 196,877 |

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Cash Flows - Continued
Proprietary Funds
For the Year ended September 30, 2003

| | Solid Waste (5710) | Airport (5810) | Wastewater (5920) | Other Proprietary Funds | Totals | Governmental Activities Internal Service Funds |
|--|--------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|---|
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (\$ 4,279,919) | \$ - | (\$ 5,911,412) | (\$ 861,435) | (\$ 11,052,766) | \$ 875,396 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 13,827,430 | - | 19,453,277 | 14,670,515 | 47,951,222 | 10,167,256 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 9,547,511</u> | <u>\$ -</u> | <u>\$ 13,541,865</u> | <u>\$ 13,809,080</u> | <u>\$ 36,898,456</u> | <u>\$ 11,042,652</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | | | |
| Operating income (loss) | <u>(\$ 684,862)</u> | <u>(\$ 1,742,874)</u> | <u>(\$ 2,285,465)</u> | <u>(\$ 693,609)</u> | <u>(\$ 5,406,810)</u> | <u>\$ 979,234</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Depreciation expense | 532,638 | 834,916 | 3,288,418 | 792,364 | 5,448,336 | 1,134,479 |
| Changes in Assets and Liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | 17,874 | (40,991) | 437,681 | 172,333 | 586,897 | (170) |
| (Increase) decrease in intergovernmental receivable | (1,253,627) | 154,959 | - | 29,601 | (1,069,067) | - |
| Increase (decrease) in deferred revenue | - | - | - | (29,601) | (29,601) | - |
| (Increase) decrease in inventory | - | - | 2,611 | - | 2,611 | - |
| Increase (decrease) in accounts payable | 555,882 | 48,403 | 100,999 | (145,404) | 559,880 | 339,586 |
| (Increase) decrease in prepaid expenses | - | - | - | 19,584 | 19,584 | - |
| (Increase) decrease in restricted assets | (56,557) | - | - | 1,717 | (54,840) | - |
| Increase in closure costs | 1,688,238 | - | - | - | 1,688,238 | - |
| Increase (decrease) in due to other funds | - | (95,299) | - | (1,977,452) | (2,072,751) | - |
| Increase (decrease) in accrued liabilities | 7,611 | (32,952) | (59,937) | (381,248) | (466,526) | (403,003) |
| Total adjustments | <u>1,492,059</u> | <u>869,036</u> | <u>3,769,772</u> | <u>(1,518,106)</u> | <u>4,612,761</u> | <u>1,070,892</u> |
| Net cash provided by operations | <u>\$ 807,197</u> | <u>(\$ 873,838)</u> | <u>\$ 1,484,307</u> | <u>(\$ 2,211,715)</u> | <u>(\$ 794,049)</u> | <u>\$ 2,050,126</u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2003

| | Agency Funds | Trust Fund Retirees' Insurance (7330) |
|---|-------------------------|--|
| ASSETS | | |
| Cash and cash investments | \$ 11,937,196 | \$ 12,737,524 |
| Accounts receivable | 1,233,958 | 5,383 |
| Accrued interest receivable | 8,239 | 66,862 |
| | <u>\$ 13,179,393</u> | <u>\$ 12,809,769</u> |
| LIABILITIES | | |
| Accounts payable | \$ 26,553 | \$ - |
| Intergovernmental payable | 797,908 | - |
| Undistributed current and delinquent taxes | 8,158,937 | - |
| Trust deposits | 2,205,411 | - |
| Accrued liabilities | 36,796 | - |
| Unallocated receipts | 1,927,675 | - |
| Fines and Fees due to local municipalities and libraries | 26,113 | - |
| | <u>\$ 13,179,393</u> | <u>-</u> |
| Net Assets | | |
| Held in trust for pension benefits | | <u>\$ 12,809,769</u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year ended September 30, 2003

| | |
|-----------------------------------|---|
| | Retirees' Insurance (7330) |
| Additions | |
| Contributions | |
| Employer | \$ 2,828,072 |
| Plan members | 373,453 |
| Investment earnings | 227,185 |
| Total Additions | <u>3,428,710</u> |
| Deductions | |
| Benefits | 2,176,283 |
| Expenses | - |
| Total Deductions | <u>2,176,283</u> |
| Change in Net Assets | 1,252,427 |
| Net Assets - Beginning | <u>11,557,342</u> |
| Net Assets - Ending | <u><u>\$ 12,809,769</u></u> |

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

The County of Muskegon, Michigan, was incorporated on July 18, 1859, and covers an area of approximately 527.34 square miles with the county seat located in the City of Muskegon. The county operates under an elected Board of Commissioners (11 members) and provides services to its 170,000 residents in many areas, including law enforcement, administration of justice, transportation, waste disposal, road maintenance, community enrichment and development and human services.

a) Reporting Entity

The accompanying financial statements present the County and its discretely presented component unit, entity for which the County is considered to be fiscally accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate for the County.

Discretely presented component unit. The Muskegon County Road Commission (MCRC) is responsible for maintaining a primary and local road system within county boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances.

Complete financial statements for the individual component unit can be obtained from the entity's administrative office.

Muskegon County Road Commission
7700 E Apple Ave
Muskegon MI 49442

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

b) Fund Accounting

The financial activities of the county are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

c) Government-wide and fund financial statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets on all the non-fiduciary activities of the primary government and its component unit. Most of the effects of interfund activity have been removed from these statements. **Governmental activities**, which normally are supported by taxes and intergovernmental revenues, are reported separately from **business-type activities**, which rely primarily on users fees and charges for service. Likewise, the **primary government** is reported separately from certain legally separate **component units** for which the primary government is financially accountable.

The statement of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function or segment and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) other revenues that are by definition related to the cost of providing a specific function or segment. Taxes, fines and other items not specific to particular functions or segments are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the “economic resources” measurement focus and full accrual basis of accounting which also include the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgements, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** (1010) is the government’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Community Mental Health (2220) accounts for funds earmarked to provide mental health services within county boundaries. Monies are provided by federal, state, and county appropriations, grants, contributions and charges for services. This fund has several separate programs for the mentally impaired and developmentally disabled individuals. Both out-patient and in-patient services for adults and children are provided.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

Managed Care (2222) accounts for monies received from all sources and distributes these funds to contracted providers and our own internal providers of services for mental health services.

Brookhaven Medical Care Facility (2900) accounts for revenues received from insurance providers, governmental agencies and patients (or their representatives) for the operation of a medical care facility for the care of the elderly and infirm.

Water and Sewer Debt (3650) accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. This debt is a special assessment debt with governmental commitment associated with local municipalities, water and sewer installation and infrastructure improvements.

The County reports the following major proprietary funds:

Solid Waste (5710) accounts for revenues received from, and expenses made for, the operations of a solid waste system. Monies for the operation of this fund are received from customers.

Airport (5810) provides direct and related services for both air carrier and general aviation aircraft. Airport activities are administratively divided into four areas: airfield, terminal buildings, hangars and other.

Wastewater (5920) provides a innovative, comprehensive plan fo utilizing wastewater for land treatment by spray irrigation. The land treatment system nearly eliminates industrial and municipal pollutants and utilizes the wastewater as water and fertilizer to grow crops. Revenues are derived primarily from municipal users and private corporations. Additional revenue is generated from sales of crops grown at the facility.

Additionally, the County reports the following fund types:

Internal service funds account for printing, building maintenance, building and equipment purchases, and insurance and risk management on a cost reimbursement basis.

Trust funds account for the perpetual care of retirees' medical and dental costs. These funds are legally held in trust for use only by the specified activities as described. The accounting for trust funds is like that used for proprietary funds (full accrual).

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

Agency funds account for monies that are custodial in nature (assets equal liabilities) and do not involve the measurement of results in operations. Agency funds are accounted for on the full accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection and internal rentals of buildings and equipment in excess of depreciation and cost of money. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports deferred revenue on its Governmental Funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

e) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

f) Inventories

Inventories, which consist of replacement parts, office supplies, drugs and medical supplies, are stated at cost using the first in, first out (FIFO) method in governmental funds, and at the lower of average cost or market in proprietary funds. Inventories are accounted for by the consumption method.

g) Capital Assets

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries, employee benefits, and bond interest costs during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements. Donated fixed assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

g) Capital Assets - continued

Property, plant, and equipment of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

| | <u>Years</u> |
|---|--------------|
| Land improvements | 10 - 100 |
| Lagoon | 98 - 100 |
| Buildings | 10 - 50 |
| Machinery and equipment | 3 - 25 |
| Wastewater collection and distribution system | 10 - 50 |
| Capitalized interest and engineering costs | 47 - 50 |

h) Compensated absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid (1) accumulated vacation at full rates with certain limitations for non-staff personnel, and (2) accumulated sick leave at death or retirement at three-quarters the employee's pay rate and at one-half the employee's pay rate for all other reasons. Vacation and sick pay is fully accrued in the government-wide and proprietary financial statements. Vacation and Sick long-term portion of \$6,180,002 has been recorded as a portion of the long-term debt in the government-wide financial statements. County Road Commission personnel are paid fully for accumulated vacation and nothing for sick leave upon termination. Upon retirement or death, personnel receive full accumulated vacation and one half the sick leave accrued.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

i) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j) Self-Insurance Fund

The county maintains a self-insurance fund. The purpose of this fund is to pay premiums and claims as they are billed or occur. For the self-insured areas of workers' compensation, medical and unemployment, the county maintains an incurred but not reported (IBNR) reserve in all areas.

k) Fund Balance Reserves and Designations

Long-term advances from the general fund to the internal service funds were made to finance and sustain the activities of these funds. A portion of the general fund balance is reserved in an amount equal to such advances to reflect the amount of fund balance not currently available for expenditure.

As discussed in Note 4, the county has a long-term note receivable from the City of Muskegon Downtown Development Authority, which is held jointly by the capital projects and internal service funds. Portions of the capital projects fund balance have been reserved and retained earnings of an internal service fund have been appropriated in amounts equal to their respective portions of such long-term note receivable to reflect the amount of the fund balance and retained earnings not currently available for expenditure.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

Fund balances designated for programs and debt service represent amounts appropriated by the Board of Commissioners for specific projects which carry over each year.

Specific fund balances designated and reserved are:

General and Special Revenue

| | |
|--|-----------|
| General Fund (1010) | \$589,593 |
| Emergency Services (1190) | 20,523 |
| Marine Safety (1200) | 5,000 |
| Parks Development (2080) | 49,942 |
| Friend of the Court (2150) | 208,707 |
| Family Court Re-entry Initiative (2152) | 187,500 |
| Health Department (2210) | 111,003 |
| Community Mental Health (2220) | 36,974 |
| Managed Care (2222) | 110,511 |
| Accommodations Tax (2300) | 47,272 |
| Parks Development (2411) | 123 |
| Deed Automation Fund (2560) | 77,993 |
| West Michigan Enforcement Team (WMET) (2670) | 18,160 |
| TNT Drug (2671) | 140,613 |
| Prosecutor Drug Fund (2672) | 9,826 |
| Library (2710) | 32,452 |
| Comp Strategy Implementation Grant (2821) | 3,732 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

| | |
|----------------------------------|---------------------------|
| EDC Loan Revolving (2860) | 392,684 |
| Cherry Hill Loan (2871) | 41,664 |
| Rambusch-Fuchs CDBG Grant (2873) | 3,549 |
| Brookhaven Medical Care (2900) | 854,925 |
| Mental Health Buildings (2970) | <u>116,659</u> |
| | <u><u>\$3,059,405</u></u> |

Debt Service

| | |
|-----------------------------|---------------------------|
| Designated for debt service | <u><u>\$1,713,255</u></u> |
|-----------------------------|---------------------------|

Capital Projects

| | |
|---|---------------------------|
| Capital improvements designated for Heritage Landing (4180) | \$8,532 |
| Capital improvements designated for Fruitport Township Sewer Project (4615) | 132,410 |
| Capital improvements designated for Fruitport/NS Sewer Project (4618) | 1,720,784 |
| Future capital projects (4930) (4960) | 1,017,875 |
| Long-term Note Receivable (4930) (4960) | 800,000 |
| Capital improvements designated for drain projects (8010) | <u>320,951</u> |
| | <u><u>\$4,000,552</u></u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

Permanent Funds

| | |
|---|-----------------|
| Designated for perpetual care (1500) (1550) | <u>\$58,946</u> |
|---|-----------------|

Enterprise

| | |
|------------------------------------|--------------------|
| Restricted for cell closure (5710) | <u>\$3,670,124</u> |
|------------------------------------|--------------------|

Trust

| | |
|----------------------------|---------------------|
| Retirees' Insurance (7330) | <u>\$12,809,769</u> |
|----------------------------|---------------------|

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Budgets

The general, special revenue, and debt service funds are the governmental fund types under formal budgetary control. The county adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget.

1. A general, special revenue and debt service funds budget is presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.
3. Formal budget integration is employed as a management control device during the year for the general, special revenue and debt service funds. Formal budgetary integration is not employed for any other fund and only informational summaries are prepared as a management tool and are presented to the Board for consideration.
4. Budgets presented for the general, special revenue and debt service funds were prepared on the modified accrual basis of accounting. Encumbrances are not recorded at year end.
5. Expenditures may not legally exceed activity (department) totals in the general fund. All other special revenue fund expenditures and debt service funds cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.
6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

l) Budgets - continued

7. The Governing Board has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the General Fund at the activity level if it desires. Management has no authority to amend budgets at the fund level. Management can do transfers within funds at the departmental level without governing board approval but not between departments. Some budgets are approved at the zero activity level when there appears to be no consistent operating data to project future revenues or expenses.
8. The budgetary information presented has been amended during the year by an official action of the County Board of Commissioners. The amendments were not significant in total.
9. All budget appropriations lapse at the end of each funds' fiscal year.

m) Grants and Third Party Cost Reimbursement Settlements

The county receives grants from other governmental units to finance specific programs. The grant revenues are recorded based on qualifying program expenditures, as determined by the county, and are subject to audit by the responsible agencies. Adjustments required upon final settlements are recorded in the period of settlement. Third party cost reimbursements are recorded at prospective rates and provisions are made at the end of each year to adjust such revenues to the reimbursable cost expected to be received. Adjustments required upon final settlements are recorded in the period of settlement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

n) Indirect Cost Rate

Administrative costs are recorded in the general fund as indirect costs in the county's accounting system and allocated to the various funds based upon a negotiated indirect cost plan. Indirect costs are defined by Office of Management and Budget (OMB) Circular A-87 as costs "(a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved." The indirect cost rate used by the county is based on prior cost experience, documented by a cost allocation plan, (published February 2003), and is approved by a cognizant federal agency (health and human services) in accordance with the provision of OMB Circular A-87. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is scrutinized and a revised fixed rate for future use is negotiated with the cognizant agency only if necessary. During 2003, the county's indirect cost rate was 11.9685% of direct salaries and wages, excluding fringe benefits. Certain other accounting policies are disclosed in subsequent footnotes.

NOTE 2 - PROPERTY TAX

Property taxes are levied and attached as an enforceable lien on property as of July 1 and December 1. Taxes are payable by March 1 with local treasurers. After March 1, taxes are delinquent and are collected by the county with additional penalty and interest added. Delinquent tax rolls are used to finance delinquent tax notes of which the proceeds are used to pay off the various taxing authorities around July 1. Collections of delinquent taxes (including penalty and interest) are kept by the county to repay the notes, with any remainder being remitted to the general fund. Any delinquent taxes not collected after two years have elapsed trigger the property to be foreclosed and sold at public auction, with a minimum bid of amounts due for taxes, interest and fees. The foreclosure sales occurs on or about September 1st. Therefore, under the statutes, total delinquency collection is assured.

NOTE 3 - CASH AND CASH EQUIVALENTS

To facilitate better management of the county's resources, substantially all cash is combined in one pooled operating account. The county's excess cash is invested principally in certificates of deposit, U.S. treasury notes, and commercial paper primarily on a pooled investment basis.

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- . Investments that are readily convertible to known amounts of cash
- . Investments that mature in such a short period of time that their values are effectively immune from changes in interest rates
- . Original maturity of three months or less

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

Investments are stated at fair value. Investment income of the pooled investment account is allocated monthly to the respective funds on the basis of their average daily cash balance. All investments are registered in the name of the County and held by the County's agent. As such, in accordance with GASB 40, the custodial credit risk of these investments need not be disclosed.

The county maintains a cash and investment pool that is used by all county funds and service agencies for which the county provides bookkeeping services. Each fund's portion of this pool is displayed as "cash and cash equivalents" (and investments) on the combined and individual balance sheets.

Deposits: At year-end, the carrying amount of the county's deposits was \$55,496,672 and the bank balance was \$47,446,632. Of the balances, \$500,000 was covered by federal depository insurance in the County's name. The remaining \$46,946,632 is uninsured and uncollateralized.

Investments: Per M.S.A. 3.843 (1), the legislative or governing body of the county has authorized the treasurer to invest surplus funds belonging to and under the control of the commission of the county as follows:

1. In bonds and other direct obligations of the United States or an instrumentality of the United States.
2. In certificates of deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan association which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration.
3. In commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
4. In United States government or federal agency obligation repurchase agreements.
5. In banker's acceptance of United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2003

NOTE 4 - LONG-TERM NOTE RECEIVABLE

The county has a long-term note receivable from the City of Muskegon Downtown Development Authority (a Michigan nonprofit corporation) dated August 17, 1989 (issued in the face amount of \$1,000,000, interest free), which is held jointly by capital projects and internal service funds.

The note is included in the accompanying combined financial statements at its original face amount. The note is collateralized by a certain tax increment financing plan and by the assignment of the related leases, which are believed to provide adequate assurance for the realization of the notes.

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet”. The details of this \$38,275,002 difference are as follows:

| | |
|--|----------------------------|
| Special Assessment bonds | \$9,910,000 |
| General Obligation Bonds | 14,750,000 |
| Building Authority Bonds | 7,435,000 |
| Compensated absences | <u>6,180,002</u> |
| Net adjustment to reduce | |
| fund balance - total governmental funds to arrive at | |
| net assets - governmental activities | <u><u>\$38,275,002</u></u> |

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - continued

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that " Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this (\$221,117) difference are as follows:

| | |
|--|---------------------------|
| Capital Outlay | \$3,277,936 |
| Internal Service asset purchases | (1,109,711) |
| Internal Service depreciation | 1,134,379 |
| Depreciation Expense as presented for Governmental Activities | <u>(3,523,721)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u><u>(\$221,117)</u></u> |

County of Muskegon
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED
September 30, 2003

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2003 are summarized as follows:

Primary Government

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------------|-----------------------|---------------------------|
| Governmental Activities | | | | |
| Capital assets, not depreciable: | | | | |
| Land | <u>\$4,078,102</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$4,078,102</u> |
| Capital assets being depreciated: | | | | |
| Land Improvements | 4,448,316 | 30,550 | 1,408 | 4,477,458 |
| Buildings and Improvements | 66,491,332 | 1,760,808 | 52,093 | 68,200,047 |
| Machinery and Equipment | <u>16,088,260</u> | <u>1,486,578</u> | <u>1,206,154</u> | <u>16,368,684</u> |
| Total assets being depreciated | 87,027,908 | 3,277,936 | 1,259,655 | 89,046,189 |
| Less accumulated depreciation for: | | | | |
| Land Improvements | (642,384) | (175,842) | 1,408 | (816,818) |
| Buildings and Improvements | (14,720,184) | (1,552,697) | 17,682 | (16,255,199) |
| Machinery and Equipment | <u>(10,804,878)</u> | <u>(1,795,182)</u> | <u>1,148,264</u> | <u>(11,451,796)</u> |
| Total accumulated depreciation | <u>(26,167,446)</u> | <u>(3,523,721)</u> | <u>1,167,354</u> | <u>(28,523,813)</u> |
| Total capital assets being depreciated, net | <u>60,860,462</u> | <u>(245,785)</u> | <u>(92,301)</u> | <u>60,522,376</u> |
| Governmental activities-capital assets, net | <u>\$64,938,564</u> | <u>(\$245,785)</u> | <u>(\$92,301)</u> | <u>\$64,600,478</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS - Continued

| | Beginning | | | Ending |
|--|----------------------|---------------------|--------------------|----------------------|
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| Business-type Activities | | | | |
| Capital assets, not depreciable: | | | | |
| Land | \$11,088,122 | \$2,807,550 | \$0 | \$13,895,672 |
| Construction in progress | <u>15,762,029</u> | <u>482,037</u> | <u>2,530,024</u> | <u>13,714,042</u> |
| Total capital assets not being depreciated | <u>\$26,850,151</u> | <u>\$3,289,587</u> | <u>\$2,530,024</u> | <u>\$27,609,714</u> |
| Capital assets being depreciated: | | | | |
| Land Improvements | 19,081,978 | 3,079,039 | - | 22,161,017 |
| Buildings and Improvements | 23,894,741 | 77,905 | 190,541 | 23,782,105 |
| Machinery and Equipment | 14,478,797 | 2,248,389 | 1,137,042 | 15,590,144 |
| Lagoons | 9,517,671 | - | - | 9,517,671 |
| W/W collection and distribution | 74,143,763 | 7,411,094 | 3,441 | 81,551,416 |
| Capitalized interest and engineering | <u>7,381,808</u> | <u>-</u> | <u>-</u> | <u>7,381,808</u> |
| Total assets being depreciated | <u>\$148,498,758</u> | <u>\$12,816,427</u> | <u>\$1,331,024</u> | <u>\$159,984,161</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS - Continued

| | Beginning | | | Ending |
|---|----------------------|---------------------|--------------------|----------------------|
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| Less accumulated depreciation for: | | | | |
| Land Improvements | (\$9,521,552) | (\$795,256) | \$ - | (\$10,316,808) |
| Buildings and Improvements | (7,293,395) | (706,604) | (54,290) | (7,945,709) |
| Machinery and Equipment | (8,916,717) | (1,250,985) | (933,178) | (9,234,524) |
| Lagoons | (2,771,215) | (96,321) | - | (2,867,536) |
| W/W collection and distribution | (31,844,937) | (2,330,558) | (3,441) | (34,172,054) |
| Capitalized interest and engineering | <u>(3,129,839)</u> | <u>(268,612)</u> | <u>-</u> | <u>(3,398,451)</u> |
| Total accumulated depreciation | <u>(63,477,655)</u> | <u>(5,448,336)</u> | <u>(990,909)</u> | <u>(67,935,082)</u> |
| Total business-type assets being depreciated, net | <u>85,021,103</u> | <u>7,368,091</u> | <u>340,115</u> | <u>92,049,079</u> |
| Business-type activities-capital assets, net | <u>\$111,871,254</u> | <u>\$10,657,678</u> | <u>\$2,870,139</u> | <u>\$119,658,793</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | |
|--|---------------------------|
| Judicial | \$42,827 |
| General County Government | 2,196,362 |
| Public Safety | 274,657 |
| Health | 663,403 |
| Welfare | 127,084 |
| Culture | 34,732 |
| Recreation | <u>184,656</u> |
| Total Depreciation Expense - Governmental activities | <u><u>\$3,523,721</u></u> |

Business-type Activities

| | |
|---|---------------------------|
| Solid Waste | \$532,638 |
| Airport | 834,916 |
| Wastewater | 3,288,418 |
| Other Proprietary Funds | <u>792,364</u> |
| Total Depreciation Expense - business-type activities | <u><u>\$5,448,336</u></u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2003 was as follows:

| | Balance October 1, <u>2002</u> | Additions | Reductions | Balance September 30, <u>2003</u> | Due within <u>one year</u> |
|--|--------------------------------------|-----------|-------------|---|-------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Bonds Payable: | | | | | |
| Special Assessment with Governmental commitment | | | | | |
| Muskegon County Water Supply System No. 1 Bonds-payable in annual installment of \$300,000 in 2004 with interest at 5.0% (8711) (Issued \$6,000,000) | \$600,000 | | (\$300,000) | \$300,000 | \$300,000 |
| Series II - payable in annual installments of \$100,000 in 2004 with interest at 7.4% (8713) (Issued \$2,150,000) | 300,000 | | (100,000) | 200,000 | 100,000 |
| Fruitport Sewer Bond - payable in increasing annual installments ranging from \$50,000 in 2004 to \$250,000 in 2020 with interest from 4.7% to 6.5% (8715) (Issued \$2,680,000) | 2,655,000 | | (25,000) | 2,630,000 | 50,000 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| | Balance October 1, <u>2002</u> | Additions | Reductions | Balance September 30, <u>2003</u> | Due within <u>one year</u> |
|---|--------------------------------------|-----------|------------|---|-------------------------------|
| Series II - payable in increasing annual installments ranging from \$200,000 in 2004 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000) | 6,150,000 | | (200,000) | 5,950,000 | 200,000 |
| Northside Water Project Bonds - payable in increasing annual installments ranging from \$35,000 in 2004 to \$40,000 in 2021 with interest at 5% (8719) (Issued \$1,100,000) | 715,000 | | (35,000) | 680,000 | 35,000 |
| Laketon Township Extension Bonds - payable in annual installment of \$150,000 in 2004 with interest at 6.4% (8834) (Issued \$2,800,000) | 300,000 | | (150,000) | 150,000 | 150,000 |

County of Muskegon
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

Governmental Activities - continued

| | <u>Balance October 1, 2002</u> | Additions | Reductions | <u>Balance September 30, 2003</u> | <u>Due within one year</u> |
|---|--|-----------|------------|---|--------------------------------|
| General Obligation Bonds: | | | | | |
| Quality of Life Project Bond - payable in annual installment of \$550,000 in 2004 with interest at 7.875% (3110) (Issued \$2,425,000) | 1,025,000 | | (475,000) | 550,000 | 550,000 |
| Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$75,000 in 2004 to \$1,505,000 in 2016 with interest from 4% to 4.85%. (3111) (Issued \$14,000,000) | 13,840,000 | | (75,000) | 13,765,000 | 75,000 |
| Muskegon County Mental Health Center Bonds (refunded) - payable in decreasing annual installments ranging from \$235,000 in 2004 to \$200,000 in 2005 with interest from 4.05% to 4.25% (3141) (Issued \$1,625,000) | 655,000 | | (220,000) | 435,000 | 235,000 |
| Building Authority Bonds: | | | | | |
| Muskegon County Convention Center (Refunded) - payable in final installment of \$250,000 in 2003 with interest at 6.2% (3100) (Issued \$2,330,000) | 250,000 | | (250,000) | 0 | |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| | Balance October 1, <u>2002</u> | Additions | Reductions | Balance September 30, <u>2003</u> | Due within <u>one year</u> |
|---|--------------------------------------|-------------------|------------------|---|-------------------------------|
| <u>Governmental Activities</u> - continued | | | | | |
| Muskegon County Mental Health Center Bonds (refunded) - payable in 3 installments of \$175,000 in 2008 to 2010 with interest at 5.0% (3142) (Issued \$625,000) | 525,000 | | | 525,000 | |
| Muskegon County Health Center Bonds - payable in decreasing annual installments ranging from \$155,000 in 2004 to \$140,000 in 2007 with interest from 4.05% to 4.35% (3143) (Issued \$1,255,000) | 720,000 | | (130,000) | 590,000 | 155,000 |
| Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$190,000 in 2004 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130) | <u>6,500,000</u> | <u> </u> | <u>(180,000)</u> | <u>6,320,000</u> | <u>190,000</u> |
| Total Bonds Payable | 34,235,000 | 0 | (2,140,000) | 32,095,000 | 2,040,000 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| | Balance October 1, 2002 | Additions | Reductions | Balance September 30, 2003 | Due within one year |
|---|-------------------------------|--------------------|----------------------|----------------------------------|------------------------|
| <u>Governmental Activities</u> - continued | | | | | |
| Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000) | 192,871 | | (21,755) | 171,116 | 23,561 |
| Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010) | <u>5,971,483</u> | <u>3,939,922</u> | <u>(3,731,403)</u> | <u>6,180,002</u> | <u>3,731,000</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$40,399,354</u> | <u>\$3,939,922</u> | <u>(\$5,893,158)</u> | <u>\$38,446,118</u> | <u>\$5,794,561</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| | Balance October 1, <u>2002</u> | Additions | Reductions | Balance September 30, <u>2003</u> | Due within <u>one year</u> |
|--|--------------------------------------|-----------|---------------|---|-------------------------------|
| <u>Business-Type Activities</u> | | | | | |
| Bonds Payable | | | | | |
| Revenue Bonds: | | | | | |
| 1989 Muskegon County Wastewater Management System No. 1 Bonds - payable in 3 annual installments of \$2,000,000 in 2006, 2007 and 2008 with interest at 5.75% (3912) (Refunded) | \$6,000,000 | | (\$6,000,000) | \$0 | |
| 1992 Muskegon County Wastewater Management System No. 1 Bonds - payable in increasing annual installments ranging from \$185,000 in 2003 to \$200,000 in 2008 with interest from 6.00% to 6.4% (3913) (Refunded) | 1,175,000 | | (1,175,000) | 0 | |
| 1989 Muskegon County Wastewater Management System No. 1 Bonds Refunded - payable in decreasing annual installments ranging from \$1,685,000 in 2004 to \$1,650,000 in 2005 with interest from 5.1% to 5.7% (3914) (Issued \$13,750,000) | 5,055,000 | | (1,720,000) | 3,335,000 | 1,685,000 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| | Balance October 1, <u>2002</u> | Additions | Reductions | Balance September 30, <u>2003</u> | Due within <u>one year</u> |
|---|--------------------------------------|-------------------|------------------|---|-------------------------------|
| <u>Business-Type Activities - Continued</u> | | | | | |
| Wastewater Bond - payable in increasing annual installments ranging from \$245,000 in 2004 to \$850,000 in 2026 with interest from 3.2% to 5.00% (5935) (Issued \$17,000,000) | 17,000,000 | | (130,000) | 16,870,000 | 245,000 |
| Wastewater Bond - payable in increasing annual installments ranging from \$210,000 in 2004 to \$2,090,000 in 2008 with interest from 2.0% to 5.00% (5936) (Issued \$6,990,000) | | 6,990,000 | (250,000) | 6,740,000 | 210,000 |
| Building Authority Bonds: | | | | | |
| Muskegon County Fairgrounds - (Refunded) payable in increasing annual installments to \$170,000 in 2004 to \$185,000 in 2009 with interest from 6.0% to 6.25% (5083) (Issued \$1,985,000) | 1,340,000 | | (175,000) | 1,165,000 | 170,000 |
| Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$125,000 in 2004 to \$280,000 in 2013 with interest from 5.20% to 5.625% (5810) (Issued \$2,995,000) | <u>2,280,000</u> | <u> </u> | <u>(120,000)</u> | <u>2,160,000</u> | <u>125,000</u> |
| Total Bonds Payable | 32,850,000 | 6,990,000 | (9,570,000) | 30,270,000 | 2,435,000 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| | Balance October 1, 2002 | Additions | Reductions | Balance September 30, 2003 | Due within one year |
|--|-------------------------------|---------------------|-----------------------|----------------------------------|------------------------|
| General Obligation Tax Notes | | | | | |
| 2000 - payable in final installment of \$2,500,000 in 2003 with interest at 5% (5160) (Issued \$9,000,000) | 2,500,000 | | (2,500,000) | 0 | |
| 2001 - payable in annual installment of \$1,500,000 in 2004 with interest ranging at 3.90% (5161) (Issued \$9,000,000) | 9,000,000 | | (7,500,000) | 1,500,000 | 1,500,000 |
| 2002 - payable in annual installments of \$7,500,000 in 2004 and \$1,500,000 in 2005 with interest at 1.7% (5162) (Issued \$9,000,000) | | 9,000,000 | | 9,000,000 | 7,500,000 |
| Total General Obligation Tax Notes | 11,500,000 | 9,000,000 | (10,000,000) | 10,500,000 | 9,000,000 |
| Note Payable: | | | | | |
| Fourteen year promissory note payable for infrastructure improvements at 5.75% interest payable in quarterly installments commencing May 1, 2003 | 2,384,277 | 116,073 | | 2,500,350 | |
| Total Business-Type Activities long-term liabilities | <u>\$46,734,277</u> | <u>\$16,106,073</u> | <u>(\$19,570,000)</u> | <u>\$43,270,350</u> | <u>\$11,435,000</u> |
| Total all long-term liabilities | <u>\$87,133,631</u> | <u>\$20,045,995</u> | <u>(\$25,463,158)</u> | <u>\$81,716,468</u> | <u>\$17,229,561</u> |

County of Muskegon
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG-TERM DEBT - Continued

The special assessment bonds were issued by the county pursuant to contracts entered into with the City of Norton Shores, Egelston Township, Muskegon Township, Laketon Township, and Fruitport Township for the financing of additional sewage collection and disposal and water supply systems for the contractees. Under the terms of the agreements, the contractees are to pay the county each year amounts sufficient to provide for debt service. The full faith and credit of the county and that of the respective participating municipalities are pledged for repayment of the bonds.

The Muskegon County Wastewater Management System No. 1 Bonds issued are a general obligation (revenue) bond issue repayable from the proceeds of contract payments by participating users in the system. The full faith and credit of the county and that of participating municipalities are pledged for repayment of the bonds. The General Obligation tax notes are issued by the county to pay the various local units of government their respective share of delinquent property taxes. The notes are collateralized by the assets of the respective Delinquent Tax Revolving Funds (\$19,129,591 at September 30, 2003) and the full faith and credit of the county.

The General Obligation Debt of the county is issued to pay for the construction of a new Community Mental Health Center repayable from building leases and patient revenues. In addition, ad valorem taxes can be levied if revenues are not sufficient to cover debt service requirements. In 1995, the voters approved a 16 million General Obligation Bond issued in 1996 for renovation of an arts and sports complex. Millage of .47 mills has been levied for the repayment of the bonds through the last bond payment in the year 2016. The full faith and credit of the county is pledged for repayment of the bonds. County Building Authority Bonds were used to remodel the former Family Independence Agency building, to build a new County fairground, to build a new airport terminal, and to remodel the County Hall of Justice. Lease payments are pledged for the payment of annual debt service along with the full faith and credit of the county.

The total requirement for payment of principal and interest amount to \$81,716,468 and \$27,647,806, respectively, at September 30, 2003 as follows:

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|-----------|--------------------------------|---------------------|---------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2003-2007 | \$10,066,118 | \$3,353,458 | \$18,070,350 | \$3,053,296 |
| 2008-2012 | 8,665,000 | 5,880,846 | 10,805,000 | 4,825,708 |
| 2013-2017 | 11,295,000 | 3,607,802 | 5,045,000 | 2,987,500 |
| 2018-2022 | 7,365,000 | 1,087,346 | 4,250,000 | 1,906,975 |
| 2023-2026 | <u>1,055,000</u> | <u>52,375</u> | <u>5,100,000</u> | <u>892,500</u> |
| Total | <u>\$38,446,118</u> | <u>\$13,981,827</u> | <u>\$43,270,350</u> | <u>\$13,665,979</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2003

| <u>Year</u> | <u>Governmental Activities</u> | | | <u>Business-type Activities</u> | | | <u>Principal due every five years</u> |
|-------------|--------------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|---|
| | <u>Special Assessments</u> | <u>General Obligation</u> | <u>Building Authority</u> | <u>Revenue Bonds</u> | <u>Building Authority</u> | <u>Delinquent Tax Notes</u> | |
| 2003 | \$400,000 | \$ | \$ | \$ | \$ | \$4,500,000 | |
| 2004 | 535,000 | 860,000 | 345,000 | 2,140,000 | 295,000 | 5,500,000 | |
| 2005 | 310,000 | 910,000 | 355,000 | 2,240,000 | 395,000 | 500,000 | |
| 2006 | 360,000 | 775,000 | 360,000 | 2,300,000 | 395,000 | | |
| 2007 | 360,000 | 850,000 | 365,000 | 2,420,000 | 400,000 | | \$27,870,000 |
| 2008 | 410,000 | 925,000 | 415,000 | 2,545,000 | 400,000 | | |
| 2009 | 410,000 | 1,005,000 | 430,000 | 850,000 | 410,000 | | |
| 2010 | 460,000 | 1,095,000 | 445,000 | 850,000 | 235,000 | | |
| 2011 | 485,000 | 1,185,000 | 285,000 | 850,000 | 250,000 | | |
| 2012 | 540,000 | 1,285,000 | 300,000 | 850,000 | 265,000 | | 17,180,000 |
| 2013 | 595,000 | 1,395,000 | 320,000 | 850,000 | 280,000 | | |
| 2014 | 615,000 | 1,460,000 | 335,000 | 850,000 | | | |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - LONG TERM DEBT - Continued

| Year | Governmental Activities | | | Business-type Activities | | | |
|-----------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------------|---------------------------------|---|
| | <u>Special Assessment</u> | <u>General Obligation</u> | <u>Building Authority</u> | <u>Revenue Bonds</u> | <u>Building Authority</u> | <u>Delinquent Tax Notes</u> | <u>Principal due every five years</u> |
| 2015 | \$ 640,000 | \$1,500,000 | \$ 355,000 | \$850,000 | \$ | \$ | \$ |
| 2016 | 665,000 | 1,505,000 | 375,000 | 850,000 | | | |
| 2017 | 690,000 | | 400,000 | 850,000 | | | 15,380,000 |
| 2018 | 740,000 | | 420,000 | 850,000 | | | |
| 2019 | 815,000 | | 445,000 | 850,000 | | | |
| 2020 | 840,000 | | 470,000 | 850,000 | | | |
| 2021 | 40,000 | | 495,000 | 850,000 | | | |
| 2022 | | | 520,000 | 850,000 | | | 9,035,000 |
| 2023 | | | | 850,000 | | | |
| 2024 | | | | 850,000 | | | |
| 2025 | | | | 850,000 | | | |
| 2026 | | | | 850,000 | | | 3,400,000 |
| Total all years | <u>\$9,910,000</u> | <u>\$14,750,000</u> | <u>\$7,435,000</u> | <u>\$26,945,000</u> | <u>\$3,325,000</u> | <u>\$10,500,000</u> | <u>\$72,865,000</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2003

NOTE 7 - LONG -TERM DEBT-Continued

The following fund balances represent long-term debt amounts available in other funds:

| | |
|-----------------------------|--------------------|
| Governmental Type Funds | <u>\$1,713,255</u> |
| Designated for Debt Service | |

NOTE 8 - PENSION PLAN

Plan Description

The County of Muskegon has a defined benefit pension plan for its employees that provides retirement, disability and death benefits to its members and beneficiaries. The plan is administered by the Municipal Employees Retirement System (MERS), an agent multiple employer pension plan created under Public Act 135 of 1945.

MERS issues a publicly available financial report that includes financial statements and required supplemental information for the County. This report may be obtained by writing to MERS, 1134 Municipal Way, Lansing , Michigan, 48917, or by calling (517) 703-9030.

Funding Policy

Members are required to contribute from 0-6.28 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 6.0 % of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

Annual Pension Cost

For 2003, the County's annual pension cost was \$1,402,650 with the full amount being paid. The required contribution was determined as part of the December 31, 2001 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions include: a) 8% Investment Rate of Return (net of administrative expenses) and b) projected salary increases of 4.5-8.66% per year. The actuarial value of the County MERS plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The County's actuarial accrued liability has been overfunded for the past four years. Any future unfunded liability would be amortized over the next 30 years. The amortization period is open.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2003

NOTE 8 - PENSION PLAN-Continued

Three Year Trend Information
(Dollar Amounts in Thousands)

| <u>Ending</u> | <u>Pension Cost (APC)</u> | <u>of APC Contributed</u> | <u>Obligation</u> |
|---------------|---------------------------|---------------------------|-------------------|
| 12/31/01 | \$ 3,080 | 100% | 0 |
| 12/31/02 | 2,687 | 100% | 0 |
| 12/31/03 | 2,754 | 100% | 0 |

Analysis of Funding Progress

| Valuation Date December 31 | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability | (3) Funded Ratio (1)/(2) | (4) Unfunded (Overfunded) Actuarial Liability (2)-(1) | (5) Annual Covered Payroll | (6) Ratio of Unfunded (Funding excess) to Covered Payroll (4)/(5) |
|----------------------------------|---|--|-----------------------------------|--|-------------------------------------|---|
| 2000 | \$ 113,023,319 | 107,262,732 | 105 % | (5,760,587) | 37,642,513 | (15) % |
| 2001 | 118,605,823 | 115,733,438 | 102 % | (2,872,385) | 39,390,663 | (7) % |
| 2002 | 119,175,186 | 128,480,021 | 93% | 9,304,835 | 41,935,587 | 22 % |

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2003, with aggregate minimum monthly rentals of \$3,417. Rental expense under operating leases was \$1,064,849 for the year ended September 30, 2003.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined statements - Overview, of certain information concerning individual funds including:

(a) Individual fund interfund receivable and payable balances. Such balances at September 30 were:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Fund</u> | <u>Interfund Payable</u> |
|---------------------|---------------------------------|--|------------------------------|
| General Fund (1010) | \$4,519,508 | Co-Op Reimb. Pros. (1150) | \$23,381 |
| | | Marine Safety (1200) | 77,881 |
| | | Sheriff Road Patrol (1210) | 55,463 |
| | | School Liaison (1230) | 37,731 |
| | | Prosecutor Family Court (2140) | 3,381 |
| | | Friend of the Court (2150) | 246,610 |
| | | Accommodations Tax (2300) | 179,176 |
| | | Parks Development (2411) | 11,397 |
| | | Community Corrections (2640) | 64,552 |
| | | Project Cornerstone (2650) | 4,939 |
| | | Wagner-Peyser (2731) | 39,873 |
| | | TAA/NAFTA (2733) | 171 |
| | | Reemployment Services (2738) | 1,606 |
| | | Economic Development Job Training (2750) | 85,444 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Fund</u> | <u>Interfund Payable</u> |
|-------------|---------------------------------|---|------------------------------|
| | | Work First (2751) | 54,226 |
| | | Special Improvement Project (2155) | 63,816 |
| | | Food Stamp Program (2759) | 32,194 |
| | | WIA Admin Pool (2760) | 77,510 |
| | | WIA Adult Program (2761) | 18,680 |
| | | WIA Youth Program (2762) | 162,733 |
| | | WIA Dislocated Worker Program (2763) | 11,154 |
| | | Welfare to Work (2764) | 41,818 |
| | | WIA Youth Statewide (2766) | 1,193 |
| | | Reed Act Funds (2769) | 167,036 |
| | | WIA National Emergency Grant (2770) | 14,885 |
| | | Crime Victim's Rights (2800) | 22,933 |
| | | Comp Strategy Implementation Grant (2821) | 51,095 |
| | | Juvenile Accountability Incentive BG (2831) | 7,872 |
| | | Community Gun Violence (2832) | 17,224 |
| | | Link Michigan Study Project (2880) | 14,236 |
| | | Brookhaven (2900) | 395,463 |
| | | Social Welfare (2910) | 12,404 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Fund</u> | <u>Interfund Payable</u> |
|-------------|---------------------------------|-------------------------------------|------------------------------|
| | | Child Care Facility (2920) | 362,857 |
| | | Veterans Trust (2940) | 11,928 |
| | | Hall of Justice (4130) | 1,116 |
| | | Heritage Landing Development (4180) | <u>57,675</u> |
| | | Subtotal Governmental | <u>2,431,653</u> |
| | | Muskegon County Airport (5810) | <u>2,087,855</u> |
| | | Subtotal Proprietary | <u>2,087,855</u> |
| | <u><u>\$4,519,508</u></u> | | <u><u>\$4,519,508</u></u> |

b) Transfers in (out) balances. Such balances at September 30 were:

| <u>Fund</u> | <u>Transfers in</u> | <u>Transfers out</u> |
|--------------------------------|---------------------|----------------------|
| General (1010) | \$1,809,479 | \$11,609,016 |
| Co-Op Reimb.-Pros. (1150) | 85,510 | |
| Next Gen Implementation (1170) | 129,646 | |
| Emergency Services (1190) | 192,632 | |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

| <u>Fund</u> | <u>Transfers in</u> | <u>Transfers out</u> |
|------------------------------------|---------------------|----------------------|
| Marine Safety (1200) | 58,058 | |
| School Liaison (1230) | 17,544 | |
| Township Patrols (1240) | 212,422 | |
| Parks (2080) | 39,996 | 148,809 |
| Family Court (2140) | 136,606 | |
| Friend of the Court (2150) | 1,533,694 | |
| Family Court Reentry Init (2152) | 187,500 | |
| Health Department (2210) | 2,035,595 | |
| Community Mental Health (2220) | 121,224 | |
| Managed Care (2222) | 765,024 | |
| Accommodations Tax (2300) | | 64,343 |
| Parks Development (2411) | 148,809 | |
| Sewage Facilities Plan. Gr. (2430) | | 42,942 |
| Budget Stabilization (2570) | 50,000 | |
| Law Library (2610) | 11,590 | |
| Community Corrections (2640) | 351,918 | |
| Project Cornerstone (2650) | 73,880 | |
| Prosecutor Drug Fund (2672) | | 20,590 |
| Library (2710) | 844,305 | |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

| <u>Fund</u> | <u>Transfers in</u> | <u>Transfers out</u> |
|---------------------------------|---------------------|----------------------|
| Crime Victim's Rights (2800) | 4,048 | |
| Comp Strategy Imp Gr (2821) | 16,797 | |
| Juv. Account. Incent. BG (2831) | 6,394 | |
| Community Gun Violence (2832) | 26,459 | |
| EDC Loan Revolving (2860) | | 5,174 |
| Link Michigan Study Proj (2880) | 5,000 | |
| Remonumentation Prog. (2890) | 8,000 | |
| Social Services (2910) | 10,049 | |
| Child Care Facility (2920) | 2,964,950 | |
| Muskegon County EDC (2960) | 597 | |
| Convention Center Debt (3100) | 64,343 | |
| Hall of Justice (3130) | 492,946 | |
| Hall of Justice (4130) | 559,744 | 366,610 |
| Northside Water- Mi Adv. (4150) | 34,171 | |
| Heritage Landing (4180) | 97,274 | |
| Wickham Drive Expansion (4200) | 174 | |
| Musk Twp Sewer/Water (4640) | 1,292,569 | |
| Public Improvement (4930) | | 596,020 |
| Jail Expansion (4950) | 173,242 | |
| Fairgrounds Operations (5083) | 235,975 | |
| Delinquent Tax Revolving (5161) | | 2,242,708 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

| <u>Fund</u> | <u>Transfers in</u> | <u>Transfers out</u> |
|--|---------------------|----------------------|
| Solid Waste Mgmt (5710) | | 1,292,569 |
| Muskegon County Airport (5810) | 1,381,311 | |
| Muskegon Co. Airport Capital contributions (5810) | 370,700 | |
| Northside Water O & M (5910) | 42,942 | 70,750 |
| Equipment Revolving (6660) | 116,685 | 368,595 |
| Drain Project (8010) | 47,574 | |
| Northside Water System (8719) | 70,750 | |
| | <u>\$16,828,126</u> | <u>\$16,828,126</u> |

c) Excess of expenditures over budget in individual funds

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> |
|--|---------------|---------------|
| Next Generation Implementation (1170) | \$125,605 | \$129,646 |
| Township Patrols (1240) | 413,838 | 416,837 |
| Prosecutor Family Court (2140) | 189,647 | 190,192 |
| Family Court Reentry Initiative (2152) | 14,759 | 20,066 |
| Health Department (2210) | 7,018,323 | 7,729,126 |
| Parks Development (2411) | 258,507 | 264,009 |
| TNT Drugs (2671) | 25,362 | 31,406 |
| Work First (2751) | 1,050,954 | 1,150,554 |
| WIA Youth Program (2762) | 1,422,268 | 1,560,196 |
| WIA Youth Statewide (2766) | 12,221 | 12,689 |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

c) Excess of expenditures over budget in individual funds - continued

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> |
|-------------------------------|---------------|---------------|
| Reed Act Funds (2769) | 2,224,531 | 2,329,006 |
| WTW Youth Program (2770) | 104,719 | 217,136 |
| Community Gun Violence (2832) | 100,818 | 100,959 |
| Convention Center Debt (3100) | 262,246 | 262,325 |

All expenditures over appropriations have either been paid by excess revenues, operating transfers from other funds or by the reductions of current fund balance.

d) Individual fund advances to and from other funds

| <u>Fund</u> | <u>Advances to other funds</u> | <u>Advances from other funds</u> |
|--------------------------------|--------------------------------|----------------------------------|
| General Fund (1010) | \$588,618 | |
| Solid Waste Management (5710) | 134,951 | |
| Muskegon County Airport (5810) | | \$1,282,822 |
| Drain Revolving (6010) | | 21,500 |
| Equipment Revolving (6660) | | 702,069 |
| Insurance (6770) | <u>1,282,822</u> | |
| | <u>\$2,006,391</u> | <u>\$2,006,391</u> |

All advances are for capital purchases in the Airport and Equipment revolving funds that will be repaid as funds are made available in the respective funds receiving the advances. The Drain Revolving fund advance will only be repaid if the activities in these funds cease to occur or management determines that there is a better way to handle the activities.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 11- COMMITMENTS

The County has two \$1,000,000 letters of credit with a local financial institution to cover any possible shortfalls in the County's coverage of the solid waste and fly ash landfills. The statutory authority for these obligations is PA Act 451 of 1994, Section 324.11523 (a).

NOTE 12- OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the County provides post-retirement health care benefits, in accordance with County policies, to all employees who retire from the County on or after attaining the age of 55 with at least 15 years of service. Currently 308 retirees meet those eligibility requirements. The County pays up to 100 percent of the amount of premium (depending on length of service at time of retirement) for medical and hospitalization costs and reimburses retirees for a portion of their dental costs. The County also pays 100 percent of the premium for a Medicare supplement for each retiree eligible for Medicare. Expenditures for post-retirement health care benefits are recognized as retirees report claims and as invoices are received from the insurance carrier. A separate trust fund has been established and funded for the continued payment of these benefits for retirees. During the year, expenditures of \$2,176,283 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments was \$12,809,769 as of September 30, 2003.

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. The County has a self-insurance (internal service) fund to account for and finance its uninsured risk of losses. Under this program, the self-insurance fund provides coverage for up to a maximum of \$300,000 for each Workers' Compensation claim, \$250,000 for each general liability claim, \$50,000 for each property damage claim and the County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the County participate in the program and make payments to the self-insurance fund based on experience estimates of the amounts needed to pay prior and current year claims and to establish a designation for catastrophic losses with the exception of Brookhaven Workers' Compensation claims which are funded directly by the department on actual claims paid. The designated amount at September 30, 2003 was \$5,679,803. The claim's liability of \$3,849,502 reported in the fund at September 30, 2003, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

Changes in the funds claims liability amount in fiscal 2002 and 2003 were:

| | <u>Beginning of year liability</u> | <u>Current year claims and changes in estimates</u> | <u>Claim Payments</u> | <u>Balance at end of year</u> |
|------|--|---|-----------------------|-----------------------------------|
| 2002 | \$3,597,556 | \$7,829,232 | (\$7,356,288) | \$4,070,500 |
| 2003 | 4,070,500 | 7,118,905 | (7,339,903) | 3,849,502 |

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Solid Waste landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$7.6 million reported as landfill closure and post-closure care liability at September 30, 2003 represents the cumulative amount reported to date based on the use of 44 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 13 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$17.3 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2003. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance unanticipated closure and post-closure care. The County is in compliance with these requirements at September 30, 2003. The County expects that future inflation costs will be paid from interest earnings in the Solid Waste Funds. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by the trust fund set up for this purpose.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 15 - PRIOR YEAR'S DEBT DEFEASANCE

In prior years, the County has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability. As of September 30, 2003, the amount of defeased debt outstanding but removed amounted to \$13,350,000 and will be closed on September 1, 2004.

NOTE 16 - DISCRETE ENTITY NOTES

The following note relates to the Muskegon County Road Commission notes as they appear in their report. The notes are presented here to assure fair disclosure for those items as they appear in this comprehensive annual financial report.

(a) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

The road commission accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by GASB 16, the vesting method is used to accrue the sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the commission's deposits was \$1,112,971 and the bank balance was \$1,163,880. Of the bank balance, \$200,000 was covered by federal depository insurance and \$963,880 was uninsured and uncollateralized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS - continued

Deposits - continued

The commission's deposits are categorized below according to level of credit risk: (1) insured or collateralized deposits with securities held by the commission or by its agent in the commission's name, (2) collateralized deposits with securities held by the pledging financial institution's trust department or agent in the commission's name, (3) uncollateralized deposits including any bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent not in the commission's name.

| | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Bank balance</u> | <u>Carrying Amount</u> |
|-----------------|-------------------|-------------------|-------------------|---------------------|------------------------|
| Demand Deposits | \$100,000 | \$ - | \$949,376 | \$1,049,376 | \$998,540 |
| Time Deposits | <u>100,000</u> | <u> </u> | <u>14,504</u> | <u>114,504</u> | <u>114,431</u> |
| | <u>\$200,000</u> | <u>\$0</u> | <u>\$963,880</u> | <u>\$1,163,880</u> | <u>\$1,112,971</u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 16 - DISCRETE ENTITY NOTES - Continued

c) FIXED ASSETS

A summary of changes in capital assets for the year follows:

| | Balance October 1, <u>2002</u> | <u>Additions</u> | <u>Deductions</u> | Balance September 30, <u>2003</u> |
|---|--------------------------------------|--------------------|-------------------|---|
| Capital Assets not being depreciated | | | | |
| Land and improvements | <u>\$3,384,037</u> | <u>\$1,465,387</u> | <u>\$ -</u> | <u>\$4,849,424</u> |
| Other Capital Assets | | | | |
| Buildings | 5,012,276 | 500 | 41,576 | 4,971,200 |
| Road equipment | 7,982,677 | 614,324 | 618,464 | 7,978,537 |
| Other equipment | 1,273,664 | 5,067 | 106,031 | 1,172,700 |
| Infrastructure and improvements | <u>6,949,759</u> | <u>2,733,351</u> | <u>-</u> | <u>9,683,110</u> |
| Total capital assets at historic costs | 21,218,376 | 3,353,242 | 766,071 | 23,805,547 |
| Accumulated depreciation | | | | |
| Buildings | (2,188,138) | (181,143) | (20,268) | (2,349,013) |
| Road equipment | (6,702,728) | (592,078) | (618,153) | (6,676,653) |
| Other equipment | (1,009,540) | (87,332) | (88,879) | (1,007,993) |
| Infrastructure and improvements | <u>(372,864)</u> | <u>(455,087)</u> | <u>-</u> | <u>(827,951)</u> |
| Total accumulated depreciation | <u>(10,273,270)</u> | <u>(1,315,640)</u> | <u>(727,300)</u> | <u>(10,861,610)</u> |
| Total Net Capital Assets | <u>\$14,329,143</u> | <u>\$3,502,989</u> | <u>\$38,771</u> | <u>\$17,793,361</u> |

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 16 - DISCRETE ENTITY NOTES - Continued

(d) Depreciation expense was charged to functions as follows:

| | |
|----------------------------|----------------------------|
| Primary road | \$ 644,911 |
| Local Road | 559,808 |
| State trunkline | 84,850 |
| Administrative | <u>26,071</u> |
| Total depreciation expense | <u><u>\$ 1,315,640</u></u> |

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2003:

| | |
|--------------------------------|-----------|
| Long Term Compensated Absences | \$273,879 |
|--------------------------------|-----------|

A summary of long-term compensated absences transactions for the year ended September 30, 2003 follows:

| | |
|------------------------------|-------------------------|
| Balance at beginning of year | \$309,261 |
| Additions | - |
| Deductions | <u>(35,382)</u> |
| Balance at end of year | <u><u>\$273,879</u></u> |

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 17 - RECONCILIATION OF CAPITAL OUTLAY

Capital outlay expenditures for governmental funds differ from amounts capitalized. The differences are detailed as follows:

| | |
|---|---------------------------|
| Total capital purchases as reported in the governmental funds : | \$3,433,824 |
| Adjustments | |
| Prior year purchases | 116,284 |
| Capital projects not County owned | (1,432,433) |
| Timing differences | 50,550 |
| Internal Service purchases | <u>1,109,711</u> |
| Net Assets capitalized | <u><u>\$3,277,936</u></u> |

NOTE 18 -ADVANCE REFUNDING

On November 6, 2002 the County issued \$ 6.99 million in General Obligation (Limited Tax) bonds with an average interest rate of 3.21% to advance refund \$6.0 million of outstanding 1989 series bonds and \$1.17 million of outstanding 1992 series bonds with a combined average interest rate of 5.82%. The net proceeds of \$7.5 million (after payment of \$52,000 in underwriting fees and other issuance costs) were deposited with an escrow agent in an irrevocable trust to call as due, \$6.0 million of the 1989 series bonds and \$1.17 million of the 1992 series bonds. As a result, \$6.0 million of the 1989 series bonds and \$1.17 million of the 1992 series bonds are defeased and the liability for these bonds has been removed from the County books.

This advance refunding resulted in a difference between the reacquisition price and the net carrying amount debt of \$566,472. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being credited to operations through the year 2009 on a straight line basis. The County completed the advance refunding to reduce its total debt service payments over the next 9 years by \$683,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$624,000.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 19 - RESTATED GENERAL FUND BALANCE

In 2003, the County recognized a change in reporting of vacation and sick accruals in accordance with GASB interpretation number 6. This change reflects the implementation of GASB 34 reporting and the non-recognition of leave payoffs until the events occur. As such, the General Fund fund balance of the County has been increased by \$390,593. The beginning general fund balance has been increased from \$7,177,620 to \$7,568,213 and the governmental activities beginning fund balance has increased from \$50,449,114 to \$50,839,707.

Required Supplementary Information

County of Muskegon

September 30, 2003

Budgetary Information

Through its budget, the County allocates resources and establishes priorities based on submissions of requests by its departments and outside agencies. An annual budget assures that the County uses its limited resources efficiently and effectively. The budget also assures that its highest priority projects are completed. The budgetary basis of accounting is GAAP.

The annual budget serves from October 1st to September 30th of each year. It establishes the base for sound financial planning. It also provides performance measures and controls to permit the evaluation and adjustment of County resources as the need arises.

The County of Muskegon's budget has four major categories; personnel, supplies, services, and capital outlay. Personnel, supplies and services are recurring expenses (operational) while capital outlay are expenditures that are one time in nature. The capital outlay costs are for those items of a permanent nature that have a unit cost of \$1,000 or more.

The budgetary process starts in February when departments receive budget worksheets with assumptions that project expenses for the coming year. Departments add/change/modify these worksheets based on changing priorities and submit them to the budget department. The budget department reviews the worksheets for accuracy, and in conjunction with administration, suggest changes based on priorities as defined by the Board of Commissioners and revenue constraints. After administration review, departments go before the Board in a public meeting to discuss its priorities. In August, a draft budget is sent to the Ways and Means committee for final review. In August or September, the Board approves the final budget for the coming fiscal year.

Budgetary highlights

Property taxes were adjusted downward for board of review and Tax Tribunal adjustments.

Charges for services were increased due to increased collections on property transfers

General government expenditures were reduced due to the gypsy moth program not being needed

Required Supplementary Information - continued

County of Muskegon

September 30, 2003

Budgetary amendments to the original budget

During the year, events occurred that caused our priorities to shift and therefore our budget to be modified. Some of the significant items were:

General Fund

- An increase in the Register of Deeds revenue budget of \$498,000 resulting from strong activity in the real estate and refinancing markets
- A one time increase of \$193,000 in delinquent tax-prior years due to a large bankruptcy settlement
- A reduction in State revenue sharing of \$423,000 based upon State information regarding revenue shortfalls
- An increase in administrative cost reimbursement resulting from additional general fund costs be recovered through the cost allocation plan
- An increase of \$137,000 for prisoner reimbursement from the State and the work release program
- A decrease of \$193,000 in appropriations for the child care fund resulting from lower than anticipated costs at state institutions
- An increase of \$76,000 for library appropriations to cover less than anticipated penal fines
- An increase of \$507,000 for the airport to fund operations due to decreases in operating revenues and increases in operating expenses
- An increase in General Fund medical costs that exceeded our estimate by 8%

Required Supplementary Information - continued

County of Muskegon

September 30, 2003

Other Funds

The expenditures over budget in the Managed Care fund were covered by additional medicaid revenues

The expenditures over budget in the Brookhaven fund were covered by increased fees for services.

| Fund description | Budget | Actual |
|---------------------|--------------|--------------|
| Managed Care (2222) | \$45,042,344 | \$46,170,847 |
| Brookhaven (2900) | \$31,054,076 | \$35,096,937 |

Expenditures in the departments of the General Fund were covered either by additional revenue or by reduction of fund balance

Required Supplementary Information

County of Muskegon

Schedule of Revenues, Expenditures and Changes in

Fund Balances - Budget and Actual (continued)

Major Governmental Funds

Year Ended September 30, 2003

| | General Fund - 1010 | | | | Community Mental Health - 2220 | | | |
|---|---------------------|-----------------|---------------|---------------------|--------------------------------|-----------------|------------|---------------------|
| | Original Budget | Final Budget | Actual | Difference (+/-) | Original Budget | Final Budget | Actual | Difference (+/-) |
| Revenues | | | | | | | | |
| Taxes | \$ 22,444,781 | \$ 20,907,208 | \$ 20,755,324 | (\$ 151,884) | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | 46,100 | 11,600 | 12,751 | 1,151 | - | - | - | - |
| Operating grants and contributions | 5,756,530 | 5,225,647 | 5,271,575 | 45,928 | 3,899,684 | 3,530,220 | 2,748,163 | (782,057) |
| Charges for services | 7,853,750 | 8,849,056 | 9,144,444 | 295,388 | 11,167,791 | 11,062,406 | 11,661,028 | 598,622 |
| Fines and forfeitures | 820,000 | 804,000 | 789,922 | (14,078) | - | - | - | - |
| Investment income | 405,500 | 423,000 | 458,299 | 35,299 | 268,800 | 134,600 | 87,345 | (47,255) |
| Rentals | 111,348 | 140,721 | 139,560 | (1,161) | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - |
| Contributions from private sources | 175,000 | - | - | - | 34,000 | 52,900 | 26,029 | (26,871) |
| Other | 329,600 | 316,375 | 328,901 | 12,526 | 22,700 | 22,700 | 29,288 | 6,588 |
| Total revenues | 37,942,609 | 36,677,607 | 36,900,776 | 223,169 | 15,392,975 | 14,802,826 | 14,551,853 | (250,973) |
| Expenditures | | | | | | | | |
| Current operations | | | | | | | | |
| Legislative | 372,531 | 377,317 | 369,305 | 8,012 | - | - | - | - |
| Judicial | 5,846,348 | 6,003,060 | 5,920,342 | 82,718 | - | - | - | - |
| General County government | 12,555,444 | 11,907,411 | 11,902,426 | 4,985 | - | - | - | - |
| Public safety | 8,746,865 | 9,044,178 | 8,845,495 | 198,683 | - | - | - | - |
| Health | - | - | - | - | 15,778,419 | 14,838,106 | 14,644,407 | 193,699 |
| Welfare | - | - | - | - | - | - | - | - |
| Culture | 196,776 | 195,312 | 205,527 | (10,215) | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - |
| Other | 305,305 | 297,960 | 274,926 | 23,034 | - | - | - | - |
| Capital outlay | 6,900 | 9,353 | 2,740 | 6,613 | 147,500 | 149,000 | 28,670 | 120,330 |
| Debt service | | | | | | | | |
| Principal payments | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total expenditures | 28,030,169 | 27,834,591 | 27,520,761 | 313,830 | 15,925,919 | 14,987,106 | 14,673,077 | 314,029 |
| Revenues over (under) expenditures | 9,912,440 | 8,843,016 | 9,380,015 | 536,999 | (532,944) | (184,280) | (121,224) | 63,056 |
| Other financing sources (uses) | | | | | | | | |
| Sales of Fixed Assets | - | 28,300 | 28,300 | - | - | - | - | - |
| Transfers in | - | 1,809,479 | 1,809,479 | - | 536,894 | 184,280 | 121,224 | (63,056) |
| Transfers (out) | (10,628,539) | (11,297,923) | (11,609,016) | (311,093) | - | - | - | - |
| | (10,628,539) | (9,460,144) | (9,771,237) | (311,093) | 536,894 | 184,280 | 121,224 | (63,056) |
| NET CHANGE IN FUND BALANCE | (716,099) | (617,128) | (391,222) | 225,906 | 3,950 | - | - | - |
| Fund balance at beginning of year (as restated - see note 20) | 7,568,213 | 7,568,213 | 7,568,213 | - | 36,974 | 36,974 | 36,974 | - |
| Fund balance at end of year | \$ 6,852,114 | \$ 6,951,085 | \$ 7,176,991 | \$ 225,906 | \$ 40,924 | \$ 36,974 | \$ 36,974 | \$ - |

Required Supplementary Information

County of Muskegon

Schedule of Revenues, Expenditures and Changes in

Fund Balances - Budget and Actual (continued)

Major Governmental Funds

Year Ended September 30, 2003

| | Managed Care - 2222 | | | | Brookhaven Medical Care Facility - 2900 | | | |
|---|---------------------|-----------------|------------|---------------------|---|-----------------|------------|---------------------|
| | Original Budget | Final Budget | Actual | Difference (+/-) | Original Budget | Final Budget | Actual | Difference (+/-) |
| Revenues | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 7,402,091 | 5,190,240 | 4,021,367 | (1,168,873) | - | - | - | - |
| Charges for services | 35,435,471 | 36,852,804 | 38,646,918 | 1,794,114 | 11,081,500 | 30,279,409 | 34,338,433 | 4,059,024 |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Investment income | 75,700 | 44,900 | 26,739 | (18,161) | 14,000 | 14,000 | 5,428 | (8,572) |
| Rentals | - | - | - | - | 10,000 | 10,000 | 16,057 | 6,057 |
| Special assessments | - | - | - | - | - | - | - | - |
| Contributions from private sources | 79,727 | 59,300 | 576,030 | 516,730 | 300 | 300 | 142 | (158) |
| Other | 953,979 | 2,232,876 | 2,225,998 | (6,878) | 250 | 250 | 450 | 200 |
| Total revenues | 43,946,968 | 44,380,120 | 45,497,052 | 1,116,932 | 11,106,050 | 30,303,959 | 34,360,510 | 4,056,551 |
| Expenditures | | | | | | | | |
| Current operations | | | | | | | | |
| Legislative | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Health | 43,956,213 | 44,765,194 | 46,134,559 | (1,369,365) | 11,424,230 | 30,985,798 | 35,033,302 | (4,047,504) |
| Welfare | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Capital outlay | 277,150 | 277,150 | 36,288 | 240,862 | 175,000 | 68,278 | 63,635 | 4,643 |
| Debt service | | | | | | | | |
| Principal payments | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total expenditures | 44,233,363 | 45,042,344 | 46,170,847 | (1,128,503) | 11,599,230 | 31,054,076 | 35,096,937 | (4,042,861) |
| Revenues over (under) expenditures | (286,395) | (662,224) | (673,795) | (11,571) | (493,180) | (750,117) | (736,427) | 13,690 |
| Other financing sources (uses) | | | | | | | | |
| Sales of Fixed Assets | 24,600 | 5,100 | 19,282 | 14,182 | - | - | - | - |
| Transfers in | 269,045 | 657,124 | 765,024 | 107,900 | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 7,250 | - | 110,511 | 110,511 | (493,180) | (750,117) | (736,427) | 13,690 |
| Fund balance at beginning of year (as restated - see note 20) | - | - | - | - | 1,591,352 | 1,591,352 | 1,591,352 | - |
| Fund balance at end of year | \$ 7,250 | \$ - | \$ 110,511 | \$ 110,511 | \$ 1,098,172 | \$ 841,235 | \$ 854,925 | \$ 13,690 |

Required Supplementary Information

County of Muskegon

Budget and actual by Department - General Fund

Year Ended September 30, 2003

| | Original Budget | Final Budget | Actual | Difference (+/-) |
|-----------------------------|----------------------------|-------------------------|---------------|-----------------------------|
| 101 Board of Commissioners | \$ 372,531 | \$ 377,317 | \$ 369,300 | \$ 8,017 |
| 131 Circuit Court | 1,147,443 | 1,172,228 | 1,121,112 | 51,116 |
| 136 District Court | 2,852,788 | 3,018,413 | 2,989,584 | 28,829 |
| 137 Probation Cobo Hall Tax | 122,701 | 119,854 | 122,223 | (2,369) |
| 145 Jury Commission | 34,805 | 33,175 | 28,935 | 4,240 |
| 148 Probate Court | 646,266 | 627,672 | 624,869 | 2,803 |
| 151 State Probation | 80,703 | 78,766 | 80,946 | (2,180) |
| 164 Public Defender | 938,087 | 929,397 | 921,875 | 7,522 |
| 171 Administration | 797,935 | 741,639 | 680,771 | 60,868 |
| 191 Elections | 193,563 | 133,197 | 122,108 | 11,089 |
| 201 Accounting | 576,925 | 560,129 | 552,485 | 7,644 |
| 210 Corporate Counsel | 120,005 | 254,752 | 264,744 | (9,992) |
| 215 County Clerk | 346,611 | 381,297 | 379,567 | 1,730 |
| 216 Circuit Court Records | 372,253 | 384,607 | 399,749 | (15,142) |
| 225 Equalization | 1,544,587 | 1,521,474 | 1,450,009 | 71,465 |
| 226 Human Resources | 474,404 | 442,723 | 429,379 | 13,344 |
| 229 Prosecutor | 1,697,664 | 1,579,271 | 1,566,914 | 12,357 |
| 233 Purchasing | 222,901 | 225,198 | 220,027 | 5,171 |
| 236 Register of Deeds | 553,901 | 495,630 | 500,963 | (5,333) |
| 242 Training Center | 60,499 | 64,157 | 62,714 | 1,443 |
| 248 Stark Hall | - | 13,004 | 18,393 | (5,389) |
| 252 Transfers | 1,089,047 | 1,077,907 | 1,148,158 | (70,251) |
| 253 Treasurer | 664,714 | 628,063 | 628,470 | (407) |
| 260 Shady Grove Cemetery | 5,113 | 4,105 | 3,021 | 1,084 |
| 262 Pere Marquette Depot | - | - | 6 | (6) |

Required Supplementary Information

County of Muskegon

Budget and actual by Department - General Fund - continued

Year Ended September 30, 2003

| | Original Budget | Final Budget | Actual | Difference (+/-) |
|------------------------------|----------------------------|-------------------------|---------------|-----------------------------|
| 263 Cordova Site O&M | \$ 12,429 | \$ 46,776 | \$ 37,400 | \$ 9,376 |
| 265 Courthouse and Grounds | 938,770 | 883,208 | 1,003,624 | (120,416) |
| 266 Information Services | 75,400 | 73,385 | 75,446 | (2,061) |
| 268 Oak Ave. Building | 93,229 | 122,721 | 119,979 | 2,742 |
| 269 Harris Building | 46,436 | 43,941 | 43,724 | 217 |
| 271 County Jail Building | 302,473 | 294,276 | 333,130 | (38,854) |
| 273 Heritage Landing O&M | 152,662 | 134,535 | 155,462 | (20,927) |
| 275 Drain Commissioner | 228,389 | 245,472 | 247,042 | (1,570) |
| 284 Plat Board | 1,011 | 877 | 644 | 233 |
| 285 Gypsy Moth | 368,969 | 704 | 34 | 670 |
| 286 Office Services | 133,412 | 133,768 | 132,016 | 1,752 |
| 297 Vehicle Pool | 23,966 | 21,299 | 17,926 | 3,373 |
| 301 Sheriff Operations | 3,591,480 | 3,805,544 | 3,709,433 | 96,111 |
| 305 Sheriff Administration | 334,796 | 395,004 | 328,435 | 66,569 |
| 320 Officer Training Act 302 | 11,000 | 11,500 | 13,438 | (1,938) |
| 351 Sheriff Jail | 4,811,489 | 4,834,030 | 4,794,193 | 39,837 |
| 441 Dept. of Public Works | 51,203 | 76,755 | 69,528 | 7,227 |
| 650 State Institutions | 176,475 | 175,000 | 152,874 | 22,126 |
| 731 MSU Extension | 196,776 | 195,312 | 205,527 | (10,215) |
| 941 Misc Contingency | 554,806 | 550,461 | 514,676 | 35,785 |
| 942 Current Year Wage Payoff | 15,500 | 12,500 | - | 12,500 |
| 959 Information Systems | 994,052 | 913,548 | 879,908 | 33,640 |

Required Supplementary Information

County of Muskegon

Municipal Employees Retirement System of Michigan

Schedule of Funding Progress

Year ended September 30, 2003

| Actuarial Valuation Date | Actual Asset Value | Entry Age Actuarial Accrued Liability | UnderFunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Covered Payroll | UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll |
|---|-----------------------------------|--|---|-------------------------|----------------------------|--|
| 12/31/00 | \$113,023,319 | \$107,262,732 | (\$5,760,587) | 105.4% | \$37,642,513 | (15) % |
| 12/31/01 | 118,605,823 | 115,733,438 | (2,872,385) | 102.5% | 39,390,663 | (7) % |
| 12/31/02 | 119,175,186 | 128,480,021 | 9,304,835 | 92.8% | 41,935,587 | 22 % |

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for specific activities (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Cooperative Reimbursement-Prosecutor (1150)--to account for monies granted to the county by the Michigan Family Independence Agency for the prosecuting attorney's department to provide services to aid ADC recipients in accordance with the HHS approved state plan to establish paternity and securing child support.

Next Generation Implementation (1170)- - to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of installing an information center and central calendar system with an increase in collections initiative.

Emergency Services (1190)--to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of maintaining a department to provide essential services during emergency or disaster conditions.

Marine Safety (1200)--to account for monies granted to the county by the Department of Natural Resources and appropriated from the General Fund for the purpose of establishing a comprehensive marine safety program in the county and to provide sheriff's patrol and protection for the county's Lake Michigan shoreline and inland lakes and waterways.

Sheriff Road Patrol (1210)--to account for monies granted to the county by the state for the purpose of providing additional car miles of traffic safety enforcement, emergency assistance, safety inspection and accident prevention patrol of roads and parks as described in P.A. 416 of 1978.

School Liaison (1230)--to account for monies granted by the federal government in providing salary and benefits for an office to work with Ravenna Public Schools.

Township Patrols (1240)--to account for monies received by the county from participating townships to provide enhanced road patrol protection to those geographic areas.

Park Fund (2080)--to account for monies received by park fees and vehicle permits and county appropriations for operation and administration of all park lands and properties in Muskegon County.

Prosecutor Family Court (2140)--to account for monies received by the county from the Family Independence Agency to hire personnel who are assigned to the Family Court Division to represent children in abuse/neglect cases.

Friend of the Court (2150)--to account for monies received by Muskegon County from state grants. The money is used to assist in establishing paternity and securing child support payments.

Family Court Re-Entry Initiative (2152)--to account for monies received by Muskegon County from state grants. The money is used to reduce the placement of juveniles in youth homes and bring them back into the community faster.

Special Improvement project (2155)--to account for monies received by Muskegon County from federal grants. The money is used for restorative justice for juveniles.

Health Department (2210)--to account for monies received by Muskegon County from federal and state grants. The Health Department is a large complex system servicing county residents by providing numerous programs. Some examples are: environmental health, air pollution, communicable disease, alcohol prevention, dental care, maternity care, family planning, personal health and nurses support.

Accommodations Tax (2300)--to account for the collection and related expenses connected with a five percent excise tax which is imposed on all persons engaged in the business of providing rooms for transient guests within the County of Muskegon. It has been adopted pursuant to Act No. 263, Public Acts of the State of Michigan, 1974 and an ordinance adopted by the Muskegon County Board of Commissioners on February 20, 1981.

Parks Development (2411)--to account for monies received by Muskegon County from state and local grants to finance improvements to various county parks.

Sewage Facilities Step One (2430)--to account for monies granted to the county by the Environmental Protection Agency to finance the facilities planning that will ultimately end with building sewer lines to connect with the county's wastewater system. The facilities plan is a comprehensive study of the collection system and treatment facilities that may be required to serve a given area for the next twenty years.

CDBG Home Rehab (2470)--to account for federal pass-through funds from the State Department of Commerce to administer community development as contracted with the West Michigan Shoreline Regional Development Commission. These funds are mostly targeted at households at or below 50% of the area median income.

Deed Automation Fund (2560)--to account for fees collected to enhance and maintain technology in the register of deeds office.

Budget Stabilization (2570)--to account for monies appropriated from the county for the purpose of maintaining the current level and quality of public service. Funds are to be used only in the occurrence of an identified shortfall during any single budget period.

Law Library (2610)--to account for monies set aside for the purpose of maintaining a law library.

Community Corrections (2640)--to account for monies granted to the county by the state to provide alternatives such as tethers, bail screening and additional probation and alleviate jail overcrowding problems.

Project Cornerstone (2650)--to account for monies granted to the county from the federal government in collaboration with local governments to hire personnel who are dedicated to work full time with police, public agencies, and private citizens/organizations to assist in maintaining and improving target areas quality of life issues.

WMET (2670)--to account for monies earmarked to provide drug law enforcement under the provisions of Public Act 135 of 1985.

TNT Drug (2671)--to account for proceeds of forfeited property seized in connection with a violation of the controlled substance statutes. These funds are set aside for drug law enforcement.

Prosecutor Drug Fund (2672)--to account for the 10% administrative costs assessed to local municipalities on the proceeds of forfeitures in connection with drug related crimes handled by the Prosecutor's Office.

Library (2710)--to account for monies which are set aside for the county library. The county library was established in 1938, under Act 138 of PA 1917, and operates nine branches to promote the development of county citizens. County appropriations, state grants and district court penal fines account for the major revenues in this fund.

Wagner Peyser (2731)--to account for monies for recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge and skills.

TAA/NAFTA (2733)--to account for federal pass-through monies that provide training and economic assistance to workers dislocated as a result of increased foreign trade.

Marketing Grant (2736)--State funds used to create an enhanced awareness within the community for the local career development system and the programs under the purview of the Workforce Development Board.

Reemployment Services (2738)--State funds used to provide services to companies to help employ laid off workers from their organization.

Economic Development Job Training (2750)--to account for state grant monies to expand educational opportunities, encourage the creation of new jobs, retain existing workers in a changing workplace and strengthen the State of Michigan's economic base.

Workfirst (2751)--to account for federal pass-through funds from the Michigan Family Independence Agency to provide occupational skilled training for Muskegon and Oceana county adults.

State Level Service Center Operations (2757)--State funds used to concert with the federal funds to support the activities of the local one-stop Service Centers.

Food Stamp Program (2759)--to account for monies that provide work activities for those who would otherwise lose food stamp assistance because of the time limits imposed under welfare reform legislation.

WIA Admin Pool (2760)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana Counties under the Workforce Investment Act. These funds are targeted for training and employment programs for the unemployed and economically disadvantaged citizens of Muskegon and Oceana counties.

WIA Adult Program (2761)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana counties under the Workforce Investment Act. These funds are targeted for training and employment of economically disadvantaged adults.

WIA Youth Programs (2762)--federal funds used pursuant to the goals of the local community and Workforce Investment Act to provide youth opportunities for assistance in both academic and occupational learning; developing leadership skills; and preparing for further educational opportunities, additional training, and eventual employment.

WIA Dislocated Worker Program (2763)--federal funds used in coordination with unemployment compensation, Trade Adjustment Assistance and Rapid Response assistance to provide the dislocated worker population job finding, placement, and re-employment services.

Welfare to Work (2764)--federal funds used to assist the welfare population in obtaining gainful employment.

Strategic Planning (2765)--to account for monies granted to the county from the State of Michigan for the development of an integrated strategic plan that addresses the successful achievements of multiple goals of Muskegon County.

WIA Youth Statewide (2766)--funds allocated by the state to supplement WIA Youth Program activities.

Incumbent Worker Program (2768)--to account for federal pass-through funds for assistance to companies in averting layoffs by providing upgraded skills and training to current employees.

Reed Act Funds (2769)--to account for federal pass-through funds to supplement a portion of the existing Work First and Service Center Operations.

WTW Youth Program (2770)--to account for federal pass-through funds for temporary assistance for needy families for the purpose of providing educational and employment services to youth ages 14-19.

Crime Victims' Rights (2800)--to account for federal and state funds received by the county to pay for coordinators to work with and support victims of a crime. The coordinators advise victims of their rights, make referrals to appropriate counseling agencies, if necessary, and acts as a liaison between the victim and the criminal justice system.

Partnership for Adult Learning (2820)--State of Michigan Adult Education Funds used to provide adults with basic education skills, high school completion, English as a second language and workplace literacy skills.

Comp Strategy Implementation Grant (2821)--to account for monies received from the state to fill in gaps in support for youth identified in the restorative justice program.

Juvenile Accountability Incentive Block Grant (2831)--to account for monies to hire personnel to prosecute for juvenile crimes. Remaining funds will cover drug testing for adjudicated individuals, training, substance abuse assessments and group treatment.

Community Gun Violence (2832)--to account for federal pass-through funds for developing and sharing information on crimes involving guns across local, state and federal information systems

EDC Loan Revolving (2860)--to account for monies granted from the State of Michigan Department of Commerce to accommodate loans made by the County of Muskegon Economic Development Commission to area businesses for expansion of those businesses.

Cherry Hill Loan (2871)--to account for monies from the state for the purpose of encouraging economic development and business expansion in the county.

Rambusch-Fuchs CDBG Grant (2873)--to account for monies from the federal government for use in the construction of a commercial lighting company in the County of Muskegon.

Link Michigan Study Project (2880)--to account for monies passed through the State of Michigan from the Federal government for the study of current infrastructure needs in the area of communications.

Remonumentation Program (2890)--to account for grants received from the State of Michigan for surveying and reestablishing section corners.

Social Welfare (2910)--to account for state funds for providing assistance in housing, food and child care for the indigent population in Muskegon County

Child Care Facility (2920)--to account for state grant monies and county appropriations to aid children who need to be placed outside their homes, supporting a centralized care facility for children and the support of foster children in foster care homes.

Veteran's Trust (2940)--to account for monies received from the state to aid U.S. military veterans who are residents of the State of Michigan and County of Muskegon.

Muskegon County Economic Development Commission (2960)-- to account for monies received from the county general fund for the primary purpose of encouraging business expansion in the county.

Mental Health Buildings (2970)--to record the revenues received from Hackley Hospital and Community Mental Health for use in maintaining the Community Mental Health Building.

Victim Restitution (2980)--to account for fines from juvenile traffic offenders and used to repay victims for property damaged by those juveniles.

DEBT SERVICE FUNDS

Debt services funds are permitted rather than required. The funds listed here are required because financial resources are being accumulated for principal and interest payments maturing in future years.

Convention Center Debt (3100)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the convention center.

Quality of Life Debt (3110, 3111)--to account for the accumulation of resources and the payment of general long term debt principal and interest associated with the Frauenthal Center and Walker Arena renovations.

Hall of Justice Debt (3130)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Hall of Justice.

Psychiatric Facility Debt (3141)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the psychiatric facility.

Halmond Center Debt (3142/3143)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Halmond Center.

CAPITAL PROJECTS FUNDS

The use of capital project funds is permitted rather than required. Capital project funds are used to report major capital acquisitions or construction separately from the County's ongoing operations. Capital projects for proprietary and trust funds are reported within their respective funds.

Hall of Justice (4130)--to account for revenues and expenditures associated with the renovation of the building previously known as the County Building into a Hall of Justice.

Northside Water-Michigan Adventure (4150)--to account for revenues and expenditures to build water and sewer lines to a major amusement park.

Heritage Landing (4180)--to account for revenues and expenditures associated with the improvement and development of the county's lakefront property.

Wickham Drive Expansion (4200)--to account for revenues and expenditures associated with the reconstruction and expansion of Wickham Drive.

Fruitport Township Project (4615)--to account for revenues and expenditures for the extension of the sewer lines within Fruitport.

Fruitport/Norton Shores Sewer Project (4618)--to account for revenues and expenditures for constructing a water supply system facility to serve property in the Fruitport Charter Township and the City of Norton Shores located in the County of Muskegon.

Muskegon Township Sewer/Water (4640)--to account for revenues and expenditures for extending a water and sewer supply system facility to serve property in Muskegon Charter Township located in the County of Muskegon.

Public Improvement (4930)--established by appropriation from the county's General Fund for future general projects developed according to the county's capital improvement budgeting program. While its use is intended for capital improvements, it is not restricted to that purpose.

Jail Expansion (4950)--to account for resources used for the expansion of the jail.

Capital Improvement (4960)--to account for resources used for the acquisition of capital facilities. Its purpose is to accumulate funds to finance, entirely or partially, capital projects from resources other than bond indebtedness. It is restricted to capital improvement expenditures.

Drain Revolving (6010)--to account for monies spent by the Drain Commissioner prior to actual levies for specific drain work. The monies for this purpose are loaned from the county's General Fund and replenished as assessments are made.

Drain Projects (8010)--to account for the monies received and expended by the Drain Commissioner for the purpose of creating, extending, and repairing drains within the county.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings from investments within the fund can be used to support the programs that they were originally designed.

Cemetery Trust (1500)--to account for monies earned and expended on the flower maintenance of Cemetery plots in County maintained cemeteries

Medical Care Facility Endowment (1550)--to account for monies earned and expended for the residents of the Brookhaven Medical Care Facility

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|--|---|---------------------------------|----------------------------|-------------------------------------|-----------------------------|-------------------------------|
| | Cooperative Reimbursement Prosecutor (1150) | Next Generation Implementation (1170) | Emergency Services (1190) | Marine Safety (1200) | Sheriff Road Patrol (1210) | School Liaison (1230) | Township Patrols (1240) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 3,500 | \$ 12,490 | \$ - | \$ - | \$ - | \$ 75,662 |
| Receivables | | | | | | | |
| Accounts | - | - | 3,429 | - | - | 40,823 | 43,335 |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | 30,242 | - | 12,254 | 87,921 | 69,970 | - | - |
| Accrued Interest | - | 12 | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 30,242</u> | <u>\$ 3,512</u> | <u>\$ 28,173</u> | <u>\$ 87,921</u> | <u>\$ 69,970</u> | <u>\$ 40,823</u> | <u>\$ 118,997</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ 558 | \$ 186 | \$ 4,826 | \$ - | \$ 4,262 | \$ - | \$ - |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | 6,303 | 3,326 | 2,824 | 5,040 | 10,245 | 3,092 | 8,089 |
| Due to other funds | 23,381 | - | - | 77,881 | 55,463 | 37,731 | - |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | 110,908 |
| | <u>30,242</u> | <u>3,512</u> | <u>7,650</u> | <u>82,921</u> | <u>69,970</u> | <u>40,823</u> | <u>118,997</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | - | - | 20,523 | 5,000 | - | - | - |
| Undesignated | - | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>20,523</u> | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 30,242</u> | <u>\$ 3,512</u> | <u>\$ 28,173</u> | <u>\$ 87,921</u> | <u>\$ 69,970</u> | <u>\$ 40,823</u> | <u>\$ 118,997</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|------------------------|---|----------------------------------|--|---|--------------------------------|---------------------------------|
| | Park Fund (2080) | Prosecutor Family Court (2140) | Friend of the Court (2150) | Family Court Re-entry Initiative (2152) | Special Improvement Project (2155) | Health Department (2210) | Accommodations Tax (2300) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 62,708 | \$ - | \$ 1,000 | \$ 169,348 | \$ - | \$ 653,638 | \$ 200 |
| Receivables | | | | | | | |
| Accounts | - | - | 1,754 | - | - | 32,375 | 248,155 |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | - | 8,596 | 569,690 | 20,066 | 68,697 | 123,171 | - |
| Accrued Interest | 506 | - | - | - | - | - | 6 |
| Prepaid Items | - | - | - | - | - | 6,375 | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 63,214</u> | <u>\$ 8,596</u> | <u>\$ 572,444</u> | <u>\$ 189,414</u> | <u>\$ 68,697</u> | <u>\$ 815,559</u> | <u>\$ 248,361</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ 6,350 | \$ - | \$ 16,092 | \$ - | \$ - | \$ 431,595 | \$ 15,217 |
| Intergovernmental payable | - | - | - | - | - | 3,904 | - |
| Accrued liabilities | 6,922 | 5,215 | 101,035 | 1,914 | 4,881 | 240,057 | 6,696 |
| Due to other funds | - | 3,381 | 246,610 | - | 63,816 | - | 179,176 |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | 29,000 | - |
| | <u>13,272</u> | <u>8,596</u> | <u>363,737</u> | <u>1,914</u> | <u>68,697</u> | <u>704,556</u> | <u>201,089</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | 49,942 | - | 208,707 | 187,500 | - | 111,003 | 47,272 |
| Undesignated | - | - | - | - | - | - | - |
| | <u>49,942</u> | <u>-</u> | <u>208,707</u> | <u>187,500</u> | <u>-</u> | <u>111,003</u> | <u>47,272</u> |
| | <u>\$ 63,214</u> | <u>\$ 8,596</u> | <u>\$ 572,444</u> | <u>\$ 189,414</u> | <u>\$ 68,697</u> | <u>\$ 815,559</u> | <u>\$ 248,361</u> |

County of Muskegon

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|--------------------------------|--|------------------------------|--------------------------------------|-----------------------------------|--------------------------|------------------------------------|
| | Parks Development (2411) | Sewage Facilities Step One (2430) | CDBG Home Rehab (2470) | Deed Automation Fund (2560) | Budget Stabilization (2570) | Law Library (2610) | Community Corrections (2640) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 91,427 | \$ 1,400,000 | \$ 1,959 | \$ - |
| Receivables | | | | | | | |
| Accounts | - | - | - | 1,190 | - | - | 389 |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | 11,520 | - | - | - | - | - | 155,482 |
| Accrued Interest | - | - | - | 255 | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 11,520</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 92,872</u> | <u>\$ 1,400,000</u> | <u>\$ 1,959</u> | <u>\$ 155,871</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 14,879 | \$ - | \$ 1,959 | \$ 78,185 |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | - | - | - | - | - | - | 13,134 |
| Due to other funds | 11,397 | - | - | - | - | - | 64,552 |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>11,397</u> | <u>-</u> | <u>-</u> | <u>14,879</u> | <u>-</u> | <u>1,959</u> | <u>155,871</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | 123 | - | - | 77,993 | - | - | - |
| Undesignated | - | - | - | - | 1,400,000 | - | - |
| | <u>123</u> | <u>-</u> | <u>-</u> | <u>77,993</u> | <u>1,400,000</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 11,520</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 92,872</u> | <u>\$ 1,400,000</u> | <u>\$ 1,959</u> | <u>\$ 155,871</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|----------------------------------|------------------|-----------------------|-----------------------------------|-------------------|----------------------------|---------------------|
| | Project Cornerstone (2650) | WMET (2670) | TNT Drug (2671) | Prosecutor Drug Fund (2672) | Library (2710) | Wagner Peyser (2731) | TAA/NAFTA (2733) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 18,161 | \$ 138,128 | \$ 10,150 | \$ 74,090 | \$ - | \$ - |
| Receivables | | | | | | | |
| Accounts | - | - | 1,695 | - | 11,072 | 135 | 1,881 |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | 7,791 | - | - | - | - | 45,875 | - |
| Accrued Interest | - | (1) | 790 | 180 | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 7,791</u> | <u>\$ 18,160</u> | <u>\$ 140,613</u> | <u>\$ 10,330</u> | <u>\$ 85,162</u> | <u>\$ 46,010</u> | <u>\$ 1,881</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 504 | \$ 15,258 | \$ 6,137 | \$ 1,710 |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | 2,852 | - | - | - | 37,452 | - | - |
| Due to other funds | 4,939 | - | - | - | - | 39,873 | 171 |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>7,791</u> | <u>-</u> | <u>-</u> | <u>504</u> | <u>52,710</u> | <u>46,010</u> | <u>1,881</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | - | 18,160 | 140,613 | 9,826 | 32,452 | - | - |
| Undesignated | - | - | - | - | - | - | - |
| | <u>-</u> | <u>18,160</u> | <u>140,613</u> | <u>9,826</u> | <u>32,452</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 7,791</u> | <u>\$ 18,160</u> | <u>\$ 140,613</u> | <u>\$ 10,330</u> | <u>\$ 85,162</u> | <u>\$ 46,010</u> | <u>\$ 1,881</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|------------------------------|------------------------------------|---|---------------------|--|---------------------------------|-----------------------------|
| | Marketing Grant (2736) | Reemployment Services (2738) | Economic Development Job Training (2750) | Workfirst (2751) | State Level Serv Center Operations (2757) | Food Stamp Program (2759) | WIA Admin Pool (2760) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 13,169 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100 |
| Receivables | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | - | 1,815 | 276,013 | 617,021 | 3,684 | 37,116 | 116,360 |
| Accrued Interest | - | - | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 13,169</u> | <u>\$ 1,815</u> | <u>\$ 276,013</u> | <u>\$ 617,021</u> | <u>\$ 3,684</u> | <u>\$ 37,116</u> | <u>\$ 116,460</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ 13,169 | \$ 209 | \$ 190,569 | \$ 562,795 | \$ 3,684 | \$ 4,922 | \$ 6,998 |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | - | - | - | - | - | - | 31,952 |
| Due to other funds | - | 1,606 | 85,444 | 54,226 | - | 32,194 | 77,510 |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>13,169</u> | <u>1,815</u> | <u>276,013</u> | <u>617,021</u> | <u>3,684</u> | <u>37,116</u> | <u>116,460</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | - | - | - | - | - | - | - |
| Undesignated | - | - | - | - | - | - | - |
| | <u>\$ 13,169</u> | <u>\$ 1,815</u> | <u>\$ 276,013</u> | <u>\$ 617,021</u> | <u>\$ 3,684</u> | <u>\$ 37,116</u> | <u>\$ 116,460</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|--------------------------------|---------------------------------|--|---------------------------|---------------------------------|----------------------------------|---------------------------------------|
| | WIA Adult Program (2761) | WIA Youth Programs (2762) | WIA Dislocated Wkr Program (2763) | Welfare to Work (2764) | Strategic Planning (2765) | WIA Youth Statewide (2766) | Incumbent Worker Program (2768) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ 65,874 | \$ - | \$ - |
| Receivables | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | 102,149 | 189,063 | 47,546 | 158,169 | - | 1,382 | - |
| Accrued Interest | - | - | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 102,149</u> | <u>\$ 189,063</u> | <u>\$ 47,546</u> | <u>\$ 158,169</u> | <u>\$ 65,874</u> | <u>\$ 1,382</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ 83,469 | \$ 22,444 | \$ 36,392 | \$ 116,351 | \$ 65,874 | \$ 189 | \$ - |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | - | 3,886 | - | - | - | - | - |
| Due to other funds | 18,680 | 162,733 | 11,154 | 41,818 | - | 1,193 | - |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>102,149</u> | <u>189,063</u> | <u>47,546</u> | <u>158,169</u> | <u>65,874</u> | <u>1,382</u> | <u>-</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | - | - | - | - | - | - | - |
| Undesignated | - | - | - | - | - | - | - |
| | <u>\$ 102,149</u> | <u>\$ 189,063</u> | <u>\$ 47,546</u> | <u>\$ 158,169</u> | <u>\$ 65,874</u> | <u>\$ 1,382</u> | <u>\$ -</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|-----------------------------|--------------------------------|------------------------------------|--|--|---|-------------------------------------|
| | Reed Act Funds (2769) | WTW Youth Program (2770) | Crime Victims' Rights (2800) | Partner for Adult Learning(PAL) (2820) | Comp Strategy Implementation Grant (2821) | Juv. Account- ability Incentive Block Grant (2831) | Community Gun Violence (2832) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 332,828 | \$ - | \$ - | \$ - |
| Receivables | | | | | | | |
| Accounts | - | - | - | - | 3,536 | - | - |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | 652,875 | 42,867 | 26,678 | - | 60,665 | 9,221 | 20,437 |
| Accrued Interest | - | - | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 652,875</u> | <u>\$ 42,867</u> | <u>\$ 26,678</u> | <u>\$ 332,828</u> | <u>\$ 64,201</u> | <u>\$ 9,221</u> | <u>\$ 20,437</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ 485,839 | \$ 27,982 | \$ - | \$ 233,190 | \$ 9,374 | \$ - | \$ - |
| Intergovernmental payable | - | - | - | 99,638 | - | - | - |
| Accrued liabilities | - | - | 3,745 | - | - | 1,349 | 3,213 |
| Due to other funds | 167,036 | 14,885 | 22,933 | - | 51,095 | 7,872 | 17,224 |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>652,875</u> | <u>42,867</u> | <u>26,678</u> | <u>332,828</u> | <u>60,469</u> | <u>9,221</u> | <u>20,437</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | - | - | - | - | 3,732 | - | - |
| Undesignated | - | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,732</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 652,875</u> | <u>\$ 42,867</u> | <u>\$ 26,678</u> | <u>\$ 332,828</u> | <u>\$ 64,201</u> | <u>\$ 9,221</u> | <u>\$ 20,437</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|---------------------------------|-------------------------------|--|--|--|--------------------------|----------------------------------|
| | EDC Loan Revolving (2860) | Cherry Hill Loan (2871) | Rambusch-Fuchs CDBG Grant (2873) | Link Michigan Study Project (2880) | Remonumen- tation Program (2890) | Social Welfare (2910) | Child Care Facility (2920) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 296,277 | \$ 41,439 | \$ 3,549 | \$ - | \$ 7,559 | \$ 125 | \$ 550 |
| Receivables | | | | | | | |
| Accounts | 94,691 | - | - | - | - | 20,000 | - |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 14,236 | 4,018 | 167,624 | 559,583 |
| Accrued Interest | 1,716 | 225 | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 392,684</u> | <u>\$ 41,664</u> | <u>\$ 3,549</u> | <u>\$ 14,236</u> | <u>\$ 11,577</u> | <u>\$ 187,749</u> | <u>\$ 560,133</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 11,577 | \$ 12,345 | \$ 129,468 |
| Intergovernmental payable | - | - | - | - | - | 163,000 | - |
| Accrued liabilities | - | - | - | - | - | - | 67,808 |
| Due to other funds | - | - | - | 14,236 | - | 12,404 | 362,857 |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,236</u> | <u>11,577</u> | <u>187,749</u> | <u>560,133</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | 392,684 | 41,664 | 3,549 | - | - | - | - |
| Undesignated | - | - | - | - | - | - | - |
| | <u>392,684</u> | <u>41,664</u> | <u>3,549</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 392,684</u> | <u>\$ 41,664</u> | <u>\$ 3,549</u> | <u>\$ 14,236</u> | <u>\$ 11,577</u> | <u>\$ 187,749</u> | <u>\$ 560,133</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | SPECIAL REVENUE | | | | DEBT SERVICE | | |
|--|------------------------------|--|--------------------------------------|---------------------------------|-------------------------------------|--|-----------------------------------|
| | Veteran's Trust (2940) | Muskegon Cnty Economic Dev. Commission (2960) | Mental Health Buildings (2970) | Victim Restitution (2980) | Convention Center Debt (3100) | Quality of Life Debt (3110)/(3111) | Hall of Justice Debt (3130) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 448,678 | \$ 37,978 | \$ - | \$ 868,243 | \$ 122,318 |
| Receivables | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | 11,928 | - | - | - | - | - | - |
| Accrued Interest | - | - | 2,394 | 179 | - | 8,424 | 9 |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 11,928</u> | <u>\$ -</u> | <u>\$ 451,072</u> | <u>\$ 38,157</u> | <u>\$ -</u> | <u>\$ 876,667</u> | <u>\$ 122,327</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 19,625 | \$ 80 | \$ - | \$ - | \$ - |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | - | - | 572 | - | - | 54,592 | 122,327 |
| Due to other funds | 11,928 | - | - | - | - | - | - |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | 314,216 | - | - | - | - |
| | <u>11,928</u> | <u>-</u> | <u>334,413</u> | <u>80</u> | <u>-</u> | <u>54,592</u> | <u>122,327</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | - | - | 116,659 | - | - | 822,075 | - |
| Undesignated | - | - | - | 38,077 | - | - | - |
| | <u>-</u> | <u>-</u> | <u>116,659</u> | <u>38,077</u> | <u>-</u> | <u>822,075</u> | <u>-</u> |
| | <u>\$ 11,928</u> | <u>\$ -</u> | <u>\$ 451,072</u> | <u>\$ 38,157</u> | <u>\$ -</u> | <u>\$ 876,667</u> | <u>\$ 122,327</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | DEBT SERVICE | | CAPITAL PROJECTS | | | | |
|--|--|---|------------------------------|--|-------------------------------|--------------------------------------|------------------------------------|
| | Psychiatric Facility Debt (3141) | Halmond Center Debt (3142)/(3143) | Hall of Justice (4130) | Northside Water Michigan Adventure (4150) | Heritage Landing (4180) | Wickham Drive Expansion (4200) | Fruitport Twp Project (4615) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 54,563 | \$ 22,053 | \$ - | \$ - | \$ - | \$ - | \$ 131,691 |
| Receivables | | | | | | | |
| Accounts | 6,361 | - | - | - | - | - | - |
| Assessments receivable-deferred | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 66,051 | - | - |
| Accrued Interest | 327 | 518 | 1,583 | - | 156 | - | 719 |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | - | - | - | - | - |
| | <u>\$ 61,251</u> | <u>\$ 22,571</u> | <u>\$ 1,583</u> | <u>\$ -</u> | <u>\$ 66,207</u> | <u>\$ -</u> | <u>\$ 132,410</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ - | - | \$ 467 | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | 7,605 | 21,410 | - | - | - | - | - |
| Due to other funds | - | - | 1,116 | - | 57,675 | - | - |
| Long-term advance from other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>7,605</u> | <u>21,410</u> | <u>1,583</u> | <u>-</u> | <u>57,675</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | - | - | - | - | - |
| Unreserved | | | | | | | |
| Designated for programs | 53,646 | 1,161 | - | - | 8,532 | - | 132,410 |
| Undesignated | - | - | - | - | - | - | - |
| | <u>53,646</u> | <u>1,161</u> | <u>-</u> | <u>-</u> | <u>8,532</u> | <u>-</u> | <u>132,410</u> |
| | <u>\$ 61,251</u> | <u>\$ 22,571</u> | <u>\$ 1,583</u> | <u>\$ -</u> | <u>\$ 66,207</u> | <u>\$ -</u> | <u>\$ 132,410</u> |

County of Muskegon
Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2003

| | CAPITAL PROJECTS | | | | | | |
|--|---|---|---------------------------------|-----------------------------|----------------------------------|------------------------------|-----------------------------|
| | Fruitport/NS Sewer Project (4618) | Muskegon Township Sewer/Water (4640) | Public Improvement (4930) | Jail Expansion (4950) | Capital Improvement (4960) | Drain Revolving (6010) | Drain Projects (8010) |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 1,724,138 | \$ 8,965 | \$ 971,279 | \$ - | \$ 38,453 | \$ 21,412 | \$ 322,567 |
| Receivables | | | | | | | |
| Accounts | - | - | - | - | - | - | - |
| Assessments receivable-deferred | - | - | - | - | - | 88 | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Accrued Interest | 10,160 | - | 8,143 | - | - | - | 1,518 |
| Prepaid Items | - | - | - | - | - | - | - |
| Long-term Note receivable | - | - | 500,000 | - | 300,000 | - | - |
| | <u>\$ 1,734,298</u> | <u>\$ 8,965</u> | <u>\$ 1,479,422</u> | <u>\$ -</u> | <u>\$ 338,453</u> | <u>\$ 21,500</u> | <u>\$ 324,085</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Accounts Payable | \$ 13,514 | \$ 8,965 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental payable | - | - | - | - | - | - | - |
| Accrued liabilities | - | - | - | - | - | - | 3,134 |
| Due to other funds | - | - | - | - | - | - | - |
| Long-term advance from other funds | - | - | - | - | - | 21,500 | - |
| Deferred revenue | - | - | - | - | - | - | - |
| | <u>13,514</u> | <u>8,965</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,500</u> | <u>3,134</u> |
| Fund balance (deficit) | | | | | | | |
| Reserved for long-term note receivable | - | - | 500,000 | - | 300,000 | - | - |
| Unreserved | | | | | | | |
| Designated for programs | 1,720,784 | - | 979,422 | - | 38,453 | - | 320,951 |
| Undesignated | - | - | - | - | - | - | - |
| | <u>1,720,784</u> | <u>-</u> | <u>1,479,422</u> | <u>-</u> | <u>338,453</u> | <u>-</u> | <u>320,951</u> |
| | <u>\$ 1,734,298</u> | <u>\$ 8,965</u> | <u>\$ 1,479,422</u> | <u>\$ -</u> | <u>\$ 338,453</u> | <u>\$ 21,500</u> | <u>\$ 324,085</u> |

County of Muskegon

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2003

| | PERMANENT FUNDS | | |
|--|------------------|------------------|----------------------|
| | Cemetery | Medical Care | |
| | Trust | Facility | |
| | Endowment | | |
| | (1500) | (1550) | Total |
| | | | All Funds |
| ASSETS | | | |
| Cash and cash equivalents | \$ 35,014 | \$ 23,781 | \$ 8,305,064 |
| Receivables | | | |
| Accounts | - | - | 510,821 |
| Assessments receivable-deferred | - | - | 88 |
| Intergovernmental | - | - | 4,397,776 |
| Accrued Interest | - | 151 | 37,970 |
| Prepaid Items | - | - | 6,375 |
| Long-term Note receivable | - | - | 800,000 |
| | <u>\$ 35,014</u> | <u>\$ 23,932</u> | <u>\$ 14,058,094</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Accounts Payable | \$ - | \$ - | 2,657,209 |
| Intergovernmental payable | - | - | 266,542 |
| Accrued liabilities | - | - | 780,670 |
| Due to other funds | - | - | 2,036,190 |
| Long-term advance from other funds | - | - | 21,500 |
| Deferred revenue | - | - | 454,124 |
| | <u>-</u> | <u>-</u> | <u>6,216,235</u> |
| Fund balance (deficit) | | | |
| Reserved for long-term note receivable | - | - | 800,000 |
| Unreserved | | | |
| Designated for programs | 35,014 | 23,932 | 5,603,782 |
| Undesignated | - | - | 1,438,077 |
| | <u>35,014</u> | <u>23,932</u> | <u>7,841,859</u> |
| | <u>\$ 35,014</u> | <u>\$ 23,932</u> | <u>\$ 14,058,094</u> |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|--|---|---------------------------------|----------------------------|-------------------------------------|-----------------------------|-------------------------------|
| | Cooperative Reimbursement Prosecutor (1150) | Next Generation Implementation (1170) | Emergency Services (1190) | Marine Safety (1200) | Sheriff Road Patrol (1210) | School Liaison (1230) | Township Patrols (1240) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ 59,823 | \$ - | \$ - | \$ 107,193 | \$ 193,998 | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | 116,127 | - | 39,440 | - | 17,507 | - | - |
| Local Units | - | - | - | - | - | 139,798 | 204,415 |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - |
| Other | - | - | 13,267 | 422 | - | - | - |
| | <u>175,950</u> | <u>-</u> | <u>52,707</u> | <u>107,615</u> | <u>211,505</u> | <u>139,798</u> | <u>204,415</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | 129,646 | - | - | - | - | - |
| General County government | 261,460 | - | - | - | - | - | - |
| Public Safety | - | - | 240,831 | 160,673 | 185,461 | 157,342 | 416,837 |
| Health | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | 9,638 | - | 26,232 | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>261,460</u> | <u>129,646</u> | <u>250,469</u> | <u>160,673</u> | <u>211,693</u> | <u>157,342</u> | <u>416,837</u> |
| Revenues over (under) expenditures | (85,510) | (129,646) | (197,762) | (53,058) | (188) | (17,544) | (212,422) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | 85,510 | 129,646 | 192,632 | 58,058 | - | 17,544 | 212,422 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | 188 | - | - |
| Transfers (out) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>85,510</u> | <u>129,646</u> | <u>192,632</u> | <u>58,058</u> | <u>188</u> | <u>17,544</u> | <u>212,422</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | (5,130) | 5,000 | - | - | - |
| Fund balance at beginning of year | - | - | 25,653 | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ 20,523 | \$ 5,000 | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|------------------------|---|----------------------------------|--|---|--------------------------------|---------------------------------|
| | Park Fund (2080) | Prosecutor Family Court (2140) | Friend of the Court (2150) | Family Court Re-entry Initiative (2152) | Special Improvement Project (2155) | Health Department (2210) | Accommodations Tax (2300) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ 53,586 | \$ 803,572 | \$ 20,066 | \$ - | \$ 1,371,971 | \$ - |
| Federal | - | - | - | - | 70,512 | 9,120 | - |
| Federal pass-thru | - | - | 1,516,173 | - | - | 1,792,482 | - |
| Local Units | - | - | - | - | - | 94,250 | - |
| Charges for services rendered | 540,238 | - | 235,138 | - | - | 980,592 | - |
| Taxes | - | - | - | - | - | 269,443 | 771,818 |
| Contributions from private sources | - | - | - | - | - | 2,352 | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | 1,644 | - | - | - | - | 2 | 79 |
| Rentals | - | - | - | - | - | 302 | - |
| Other | 15,488 | - | 41,739 | - | - | 1,167,859 | - |
| | <u>557,370</u> | <u>53,586</u> | <u>2,596,622</u> | <u>20,066</u> | <u>70,512</u> | <u>5,688,373</u> | <u>771,897</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | 1,187,364 | - | - | - | - |
| General County government | - | 190,192 | 2,946,141 | 20,066 | 70,512 | - | 662,917 |
| Public Safety | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | 7,673,330 | - |
| Welfare | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - |
| Recreation | 537,397 | - | - | - | - | - | - |
| Capital Outlay | 24,442 | - | - | - | - | 55,796 | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>561,839</u> | <u>190,192</u> | <u>4,133,505</u> | <u>20,066</u> | <u>70,512</u> | <u>7,729,126</u> | <u>662,917</u> |
| Revenues over (under) expenditures | (4,469) | (136,606) | (1,536,883) | - | - | (2,040,753) | 108,980 |
| Other financing sources (uses) | | | | | | | |
| Transfers in | 39,996 | 136,606 | 1,533,694 | 187,500 | - | 2,035,595 | - |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | 363 | - | 227 | - | - | 1,758 | - |
| Transfers (out) | (148,809) | - | - | - | - | - | (64,343) |
| Total other financing sources (uses) | <u>(108,450)</u> | <u>136,606</u> | <u>1,533,921</u> | <u>187,500</u> | <u>-</u> | <u>2,037,353</u> | <u>(64,343)</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (112,919) | - | (2,962) | 187,500 | - | (3,400) | 44,637 |
| Fund balance at beginning of year | 162,861 | - | 211,669 | - | - | 114,403 | 2,635 |
| Fund balance at end of year | \$ 49,942 | \$ - | \$ 208,707 | \$ 187,500 | \$ - | \$ 111,003 | \$ 47,272 |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|--------------------------------|--|------------------------------|--------------------------------------|-----------------------------------|--------------------------|------------------------------------|
| | Parks Development (2411) | Sewage Facilities Step One (2430) | CDBG Home Rehab (2470) | Deed Automation Fund (2560) | Budget Stabilization (2570) | Law Library (2610) | Community Corrections (2640) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ 115,200 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 722,487 |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | 23,910 | - | - | - | - |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | 178,750 | - | 171 | 154,819 |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | 6,500 | - |
| Investment Income | - | 775 | - | 421 | - | - | - |
| Rentals | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>115,200</u> | <u>775</u> | <u>23,910</u> | <u>179,171</u> | <u>-</u> | <u>6,671</u> | <u>877,306</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | 18,261 | - |
| General County government | - | - | - | 101,178 | - | - | - |
| Public Safety | - | - | - | - | - | - | 1,230,636 |
| Health | - | 3,646 | - | - | - | - | - |
| Welfare | - | - | 23,910 | - | - | - | - |
| Culture | - | - | - | - | - | - | - |
| Recreation | 1,697 | - | - | - | - | - | - |
| Capital Outlay | 262,312 | - | - | - | - | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>264,009</u> | <u>3,646</u> | <u>23,910</u> | <u>101,178</u> | <u>-</u> | <u>18,261</u> | <u>1,230,636</u> |
| Revenues over (under) expenditures | (148,809) | (2,871) | - | 77,993 | - | (11,590) | (353,330) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | 148,809 | - | - | - | 50,000 | 11,590 | 351,918 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | (42,942) | - | - | - | - | - |
| Total other financing sources (uses) | <u>148,809</u> | <u>(42,942)</u> | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>11,590</u> | <u>351,918</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | (45,813) | - | 77,993 | 50,000 | - | (1,412) |
| Fund balance at beginning of year | <u>123</u> | <u>45,813</u> | <u>-</u> | <u>-</u> | <u>1,350,000</u> | <u>-</u> | <u>1,412</u> |
| Fund balance at end of year | <u>\$ 123</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 77,993</u> | <u>\$ 1,400,000</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|----------------------------------|----------------|-----------------------|-----------------------------------|-------------------|----------------------------|---------------------|
| | Project Cornerstone (2650) | WMET (2670) | TNT Drug (2671) | Prosecutor Drug Fund (2672) | Library (2710) | Wagner Peyser (2731) | TAA/NAFTA (2733) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ 141,037 | \$ - | \$ - |
| Federal | 45,996 | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | 429,685 | 155,526 |
| Local Units | - | - | - | - | 40,951 | - | - |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | 1,500 | 9,485 | - | 32,705 | - | - |
| Fines and forfeiture | - | - | - | - | 444,463 | - | - |
| Investment Income | - | - | 2,828 | 644 | - | - | - |
| Rentals | - | - | - | - | 5,503 | - | - |
| Other | - | - | 38 | - | 116,736 | - | - |
| | <u>45,996</u> | <u>1,500</u> | <u>12,351</u> | <u>644</u> | <u>781,395</u> | <u>429,685</u> | <u>155,526</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - |
| Public Safety | 119,876 | (13) | 21,433 | 5,400 | - | - | - |
| Health | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | 418,693 | 155,526 |
| Culture | - | - | - | - | 1,621,426 | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | 9,973 | - | - | 10,992 | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>119,876</u> | <u>(13)</u> | <u>31,406</u> | <u>5,400</u> | <u>1,621,426</u> | <u>429,685</u> | <u>155,526</u> |
| Revenues over (under) expenditures | (73,880) | 1,513 | (19,055) | (4,756) | (840,031) | - | - |
| Other financing sources (uses) | | | | | | | |
| Transfers in | 73,880 | - | - | - | 844,305 | - | - |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | (20,590) | - | - | - |
| Total other financing sources (uses) | <u>73,880</u> | <u>-</u> | <u>-</u> | <u>(20,590)</u> | <u>844,305</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | 1,513 | (19,055) | (25,346) | 4,274 | - | - |
| Fund balance at beginning of year | - | 16,647 | 159,668 | 35,172 | 28,178 | - | - |
| Fund balance at end of year | \$ - | \$ 18,160 | \$ 140,613 | \$ 9,826 | \$ 32,452 | \$ - | \$ - |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|------------------------------|------------------------------------|---|---------------------|--|---------------------------------|-----------------------------|
| | Marketing Grant (2736) | Reemployment Services (2738) | Economic Development Job Training (2750) | Workfirst (2751) | State Level Serv Center Operations (2757) | Food Stamp Program (2759) | WIA Admin Pool (2760) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ 245,609 | \$ - | \$ 3,684 | \$ 116 | \$ - |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | - | 35,866 | - | 1,150,547 | - | 67,950 | 262,733 |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | - | - | - | 7 | - | - | - |
| Rentals | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | - | 35,866 | 245,609 | 1,150,554 | 3,684 | 68,066 | 262,733 |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - |
| Welfare | - | 35,866 | 245,609 | 1,150,554 | 3,684 | 68,066 | 254,457 |
| Culture | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | 8,276 |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | - | 35,866 | 245,609 | 1,150,554 | 3,684 | 68,066 | 262,733 |
| Revenues over (under) expenditures | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|--------------------------------|---------------------------------|--|---------------------------|---------------------------------|----------------------------------|---------------------------------------|
| | WIA Adult Program (2761) | WIA Youth Programs (2762) | WIA Dislocated Wkr Program (2763) | Welfare to Work (2764) | Strategic Planning (2765) | WIA Youth Statewide (2766) | Incumbent Worker Program (2768) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,689 | \$ - |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | 652,337 | 1,560,169 | 511,706 | 400,685 | - | - | (1,887) |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | 28 | 27 | 386 | - | - | - | - |
| Rentals | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>652,365</u> | <u>1,560,196</u> | <u>512,092</u> | <u>400,685</u> | <u>-</u> | <u>12,689</u> | <u>(1,887)</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - |
| Welfare | 652,365 | 1,560,196 | 512,092 | 400,685 | - | 12,689 | (1,887) |
| Culture | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>652,365</u> | <u>1,560,196</u> | <u>512,092</u> | <u>400,685</u> | <u>-</u> | <u>12,689</u> | <u>(1,887)</u> |
| Revenues over (under) expenditures | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|-----------------------------|--------------------------------|------------------------------------|--|--|---|-------------------------------------|
| | Reed Act Funds (2769) | WTW Youth Program (2770) | Crime Victims' Rights (2800) | Partner for Adult Learning(PAL) (2820) | Comp Strategy Implementation Grant (2821) | Juv. Account- ability Incentive Block Grant (2831) | Community Gun Violence (2832) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ 665,835 | \$ 135,146 | \$ - | \$ - |
| Federal | - | - | 137,997 | - | - | - | - |
| Federal pass-thru | 2,329,006 | 217,136 | - | - | - | 56,881 | 74,500 |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - |
| Other | - | - | 794 | - | - | - | - |
| | <u>2,329,006</u> | <u>217,136</u> | <u>138,791</u> | <u>665,835</u> | <u>135,146</u> | <u>56,881</u> | <u>74,500</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | 63,275 | 100,959 |
| General County government | - | - | - | - | 148,211 | - | - |
| Public Safety | - | - | 142,839 | - | - | - | - |
| Health | - | - | - | - | - | - | - |
| Welfare | 2,329,006 | 217,136 | - | 665,835 | - | - | - |
| Culture | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>2,329,006</u> | <u>217,136</u> | <u>142,839</u> | <u>665,835</u> | <u>148,211</u> | <u>63,275</u> | <u>100,959</u> |
| Revenues over (under) expenditures | - | - | (4,048) | - | (13,065) | (6,394) | (26,459) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | 4,048 | - | 16,797 | 6,394 | 26,459 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>4,048</u> | <u>-</u> | <u>16,797</u> | <u>6,394</u> | <u>26,459</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | 3,732 | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - | \$ 3,732 | \$ - | \$ - |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | | | |
|--|---------------------------------|-------------------------------|--|--|--|--------------------------|----------------------------------|
| | EDC Loan Revolving (2860) | Cherry Hill Loan (2871) | Rambusch-Fuchs CDBG Grant (2873) | Link Michigan Study Project (2880) | Remonumen- tation Program (2890) | Social Welfare (2910) | Child Care Facility (2920) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ 67,673 | \$ 986,934 | \$ 2,226,314 |
| Federal | - | - | - | - | - | - | 27,047 |
| Federal pass-thru | - | - | - | 100,000 | - | - | - |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | 9,855 | 776 | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - |
| Other | 96,378 | - | - | - | - | 65,777 | 81,100 |
| | <u>106,233</u> | <u>776</u> | <u>-</u> | <u>100,000</u> | <u>67,673</u> | <u>1,052,711</u> | <u>2,334,461</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | 53,956 | 117 | - | 105,000 | - | - | - |
| Public Safety | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | 1,062,760 | 5,299,411 |
| Welfare | - | - | - | - | - | - | - |
| Culture | - | - | - | - | 75,673 | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>53,956</u> | <u>117</u> | <u>-</u> | <u>105,000</u> | <u>75,673</u> | <u>1,062,760</u> | <u>5,299,411</u> |
| Revenues over (under) expenditures | 52,277 | 659 | - | (5,000) | (8,000) | (10,049) | (2,964,950) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | 5,000 | 8,000 | 10,049 | 2,964,950 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | (5,174) | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>(5,174)</u> | <u>-</u> | <u>-</u> | <u>5,000</u> | <u>8,000</u> | <u>10,049</u> | <u>2,964,950</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 47,103 | 659 | - | - | - | - | - |
| Fund balance at beginning of year | 345,581 | 41,005 | 3,549 | - | - | - | - |
| Fund balance at end of year | \$ 392,684 | \$ 41,664 | \$ 3,549 | \$ - | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | SPECIAL REVENUE | | | | DEBT SERVICE | | |
|--|------------------------------|--|--------------------------------------|---------------------------------|-------------------------------------|--|-----------------------------------|
| | Veteran's Trust (2940) | Muskegon Cnty Economic Dev. Commission (2960) | Mental Health Buildings (2970) | Victim Restitution (2980) | Convention Center Debt (3100) | Quality of Life Debt (3110)/(3111) | Hall of Justice Debt (3130) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ 23,416 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | 15,493 | - | - | - |
| Taxes | - | - | - | - | - | 1,399,789 | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | - | - | 8,289 | 578 | 2,813 | 24,024 | 133 |
| Rentals | - | - | 242,508 | - | - | - | - |
| Other | - | - | 47,928 | - | - | - | - |
| | <u>23,416</u> | <u>-</u> | <u>298,725</u> | <u>16,071</u> | <u>2,813</u> | <u>1,423,813</u> | <u>133</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | - | 597 | - | 5,211 | - | - | 250 |
| Public Safety | - | - | - | - | - | - | - |
| Health | - | - | 301,013 | - | - | - | - |
| Welfare | 23,416 | - | - | - | - | - | - |
| Culture | - | - | - | - | 700 | 71 | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | 250,000 | 550,000 | 180,000 |
| Interest | - | - | - | - | 11,625 | 692,137 | 312,829 |
| Other | - | - | - | - | - | - | - |
| | <u>23,416</u> | <u>597</u> | <u>301,013</u> | <u>5,211</u> | <u>262,325</u> | <u>1,242,208</u> | <u>493,079</u> |
| Revenues over (under) expenditures | - | (597) | (2,288) | 10,860 | (259,512) | 181,605 | (492,946) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | 597 | - | - | 64,343 | - | 492,946 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>597</u> | <u>-</u> | <u>-</u> | <u>64,343</u> | <u>-</u> | <u>492,946</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | (2,288) | 10,860 | (195,169) | 181,605 | - |
| Fund balance at beginning of year | - | - | 118,947 | 27,217 | 195,169 | 640,470 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 116,659</u> | <u>\$ 38,077</u> | <u>\$ -</u> | <u>\$ 822,075</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | DEBT SERVICE | | CAPITAL PROJECTS | | | | |
|--|--|---|------------------------------|--|-------------------------------|--------------------------------------|------------------------------------|
| | Psychiatric Facility Debt (3141) | Halmond Center Debt (3142)/(3143) | Hall of Justice (4130) | Northside Water Michigan Adventure (4150) | Heritage Landing (4180) | Wickham Drive Expansion (4200) | Fruitport Twp Project (4615) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | 421 | - |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | 1,362 | 1,876 | 8,075 | - | - | - | 2,463 |
| Rentals | 219,919 | 87,097 | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>221,281</u> | <u>88,973</u> | <u>8,075</u> | <u>-</u> | <u>-</u> | <u>421</u> | <u>2,463</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | - | - | 17,049 | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - |
| Health | 521 | 1,271 | - | 34,171 | - | 595 | 180 |
| Welfare | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | 66,724 | - | - |
| Capital Outlay | - | - | 1,293,809 | - | 30,550 | - | - |
| Debt Services | | | | | | | |
| Principal | 220,000 | 130,000 | - | - | - | - | - |
| Interest | 23,450 | 54,454 | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| | <u>243,971</u> | <u>185,725</u> | <u>1,310,858</u> | <u>34,171</u> | <u>97,274</u> | <u>595</u> | <u>180</u> |
| Revenues over (under) expenditures | (22,690) | (96,752) | (1,302,783) | (34,171) | (97,274) | (174) | 2,283 |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | 559,744 | 34,171 | 97,274 | 174 | - |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - |
| Transfers (out) | - | - | (366,610) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>193,134</u> | <u>34,171</u> | <u>97,274</u> | <u>174</u> | <u>-</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>(22,690)</u> | <u>(96,752)</u> | <u>(1,109,649)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,283</u> |
| Fund balance at beginning of year | 76,336 | 97,913 | 1,109,649 | - | 8,532 | - | 130,127 |
| Fund balance at end of year | <u>\$ 53,646</u> | <u>\$ 1,161</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,532</u> | <u>\$ -</u> | <u>\$ 132,410</u> |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | CAPITAL PROJECTS | | | | | | |
|--|---|---|---------------------------------|-----------------------------|----------------------------------|------------------------------|-----------------------------|
| | Fruitport/NS Sewer Project (4618) | Muskegon Township Sewer/Water (4640) | Public Improvement (4930) | Jail Expansion (4950) | Capital Improvement (4960) | Drain Revolving (6010) | Drain Projects (8010) |
| Revenues | | | | | | | |
| Grants | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | 6,884 | - | - | - | - |
| Local Units | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | 42,294 |
| Taxes | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - |
| Fines and forfeiture | - | - | - | - | - | - | - |
| Investment Income | 35,328 | - | 27,341 | - | - | - | 5,240 |
| Rentals | - | - | 22,788 | - | - | - | - |
| Other | - | - | 832 | - | - | - | - |
| | <u>35,328</u> | <u>-</u> | <u>57,845</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>47,534</u> |
| Expenditures | | | | | | | |
| Current Operations | | | | | | | |
| Judicial | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - |
| Public Safety | - | - | - | 42,920 | - | - | - |
| Health | 35,432 | 132,243 | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital Outlay | 272,107 | 1,160,326 | 7,716 | 130,322 | - | - | - |
| Debt Services | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Other | - | - | 417 | - | 184 | - | 54,312 |
| | <u>307,539</u> | <u>1,292,569</u> | <u>8,133</u> | <u>173,242</u> | <u>184</u> | <u>-</u> | <u>54,312</u> |
| Revenues over (under) expenditures | (272,211) | (1,292,569) | 49,712 | (173,242) | (184) | - | (6,778) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | 1,292,569 | - | 173,242 | - | - | 47,574 |
| Bond Proceeds | - | - | - | - | - | - | - |
| Sale of Assets | - | - | 163 | - | - | - | - |
| Transfers (out) | - | - | (596,020) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>1,292,569</u> | <u>(595,857)</u> | <u>173,242</u> | <u>-</u> | <u>-</u> | <u>47,574</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (272,211) | - | (546,145) | - | (184) | - | 40,796 |
| Fund balance at beginning of year | <u>1,992,995</u> | <u>-</u> | <u>2,025,567</u> | <u>-</u> | <u>338,637</u> | <u>-</u> | <u>280,155</u> |
| Fund balance at end of year | <u>\$ 1,720,784</u> | <u>\$ -</u> | <u>\$ 1,479,422</u> | <u>\$ -</u> | <u>\$ 338,453</u> | <u>\$ -</u> | <u>\$ 320,951</u> |

COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
For the Year ended September 30, 2003

| | PERMANENT FUNDS | | |
|--|-----------------------------|---|---------------------|
| | Cemetery Trust (1500) | Medical Care Facility Endowment (1550) | Total All Funds |
| Revenues | | | |
| Grants | | | |
| State | \$ - | \$ - | \$ 7,956,349 |
| Federal | - | - | 290,672 |
| Federal pass-thru | - | - | 11,515,784 |
| Local Units | - | - | 479,414 |
| Charges for services rendered | - | - | 2,147,495 |
| Taxes | - | - | 2,441,050 |
| Contributions from private sources | 1,500 | - | 47,542 |
| Fines and forfeiture | - | - | 450,963 |
| Investment Income | 306 | 555 | 135,855 |
| Rentals | - | - | 578,117 |
| Other | - | - | 1,648,358 |
| | <u>1,806</u> | <u>555</u> | <u>27,691,599</u> |
| Expenditures | | | |
| Current Operations | | | |
| Judicial | - | - | 1,499,505 |
| General County government | 413 | 10,247 | 4,593,517 |
| Public Safety | - | - | 2,724,235 |
| Health | - | - | 14,544,573 |
| Welfare | - | - | 8,727,898 |
| Culture | - | - | 1,697,870 |
| Recreation | - | - | 605,818 |
| Capital Outlay | - | - | 3,302,491 |
| Debt Services | | | |
| Principal | - | - | 1,330,000 |
| Interest | - | - | 1,094,495 |
| Other | - | - | 54,913 |
| | <u>413</u> | <u>10,247</u> | <u>40,175,315</u> |
| Revenues over (under) expenditures | 1,393 | (9,692) | (12,483,716) |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 11,914,036 |
| Bond Proceeds | - | - | - |
| Sale of Assets | - | - | 2,699 |
| Transfers (out) | - | - | (1,244,488) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>10,672,247</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 1,393 | (9,692) | (1,811,469) |
| Fund balance at beginning of year | <u>33,621</u> | <u>33,624</u> | <u>9,653,328</u> |
| Fund balance at end of year | <u>\$ 35,014</u> | <u>\$ 23,932</u> | <u>\$ 7,841,859</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Cooperative Reimbursement Prosecutor (1150) | | | Next Generation Implementation (1170) | | | Emergency Services (1190) | | |
|--|--|-----------------|-----------------|--|------------------|----------------|------------------------------|------------------|-------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ 203,262 | \$ 59,823 | (\$ 143,439) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | 116,127 | 116,127 | - | - | - | 333,025 | 39,440 | (293,585) |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | 23,000 | 13,267 | (9,733) |
| | <u>203,262</u> | <u>175,950</u> | <u>(27,312)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>356,025</u> | <u>52,707</u> | <u>(303,318)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | 125,605 | 129,646 | (4,041) | - | - | - |
| General County government | 293,003 | 261,460 | 31,543 | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | 257,848 | 240,831 | 17,017 |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 289,145 | 9,638 | 279,507 |
| | <u>293,003</u> | <u>261,460</u> | <u>31,543</u> | <u>125,605</u> | <u>129,646</u> | <u>(4,041)</u> | <u>546,993</u> | <u>250,469</u> | <u>296,524</u> |
| Revenues over (under) expenditures | (89,741) | (85,510) | 4,231 | (125,605) | (129,646) | (4,041) | (190,968) | (197,762) | (6,794) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 89,741 | 85,510 | (4,231) | 125,605 | 129,646 | 4,041 | 190,968 | 192,632 | 1,664 |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 89,741 | 85,510 | (4,231) | 125,605 | 129,646 | 4,041 | 190,968 | 192,632 | 1,664 |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | (5,130) | (5,130) |
| Fund balance at beginning of year | - | - | - | - | - | - | 25,653 | 25,653 | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,653 | \$ 20,523 | (\$ 5,130) |

COUNTY OF MUSKEGON**Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2003**

| | Marine Safety (1200) | | | Sheriff Road Patrol (1210) | | | School Liaison (1230) | | |
|--|-------------------------|-----------------|-----------------|-------------------------------|----------------|-----------------|--------------------------|-----------------|--------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ 121,886 | \$ 107,193 | (\$ 14,693) | \$ 196,931 | \$ 193,998 | (\$ 2,933) | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | 30,377 | 17,507 | (12,870) | - | - | - |
| Local units | - | - | - | - | - | - | 140,288 | 139,798 | (490) |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | 382 | 422 | 40 | - | - | - | - | - | - |
| | <u>122,268</u> | <u>107,615</u> | <u>(14,653)</u> | <u>227,308</u> | <u>211,505</u> | <u>(15,803)</u> | <u>140,288</u> | <u>139,798</u> | <u>(490)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | 185,035 | 160,673 | 24,362 | 200,569 | 185,461 | 15,108 | 157,972 | 157,342 | 630 |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | 26,739 | 26,232 | 507 | - | - | - |
| | <u>185,035</u> | <u>160,673</u> | <u>24,362</u> | <u>227,308</u> | <u>211,693</u> | <u>15,615</u> | <u>157,972</u> | <u>157,342</u> | <u>630</u> |
| Revenues over (under) expenditures | (62,767) | (53,058) | 9,709 | - | (188) | (188) | (17,684) | (17,544) | 140 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 65,267 | 58,058 | (7,209) | - | - | - | 17,684 | 17,544 | (140) |
| Sale of Assets | - | - | - | - | 188 | 188 | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 65,267 | 58,058 | (7,209) | - | 188 | 188 | 17,684 | 17,544 | (140) |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 2,500 | 5,000 | 2,500 | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ 2,500 | \$ 5,000 | \$ 2,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Township Patrols (1240) | | | Park Fund (2080) | | | Prosecutor Family Court (2140) | | |
|--|----------------------------|----------------|----------------|---------------------|------------------|-----------------|-----------------------------------|----------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 67,586 | \$ 53,586 | (\$ 14,000) |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | 204,415 | 204,415 | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | 565,000 | 540,238 | (24,762) | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | 1,400 | 1,644 | 244 | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | 15,492 | 15,488 | (4) | - | - | - |
| | <u>204,415</u> | <u>204,415</u> | <u>-</u> | <u>581,892</u> | <u>557,370</u> | <u>(24,522)</u> | <u>67,586</u> | <u>53,586</u> | <u>(14,000)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | 189,647 | 190,192 | (545) |
| Public safety | 413,838 | 416,837 | (2,999) | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | 572,756 | 537,397 | 35,359 | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | 24,442 | 24,442 | - | - | - | - |
| | <u>413,838</u> | <u>416,837</u> | <u>(2,999)</u> | <u>597,198</u> | <u>561,839</u> | <u>35,359</u> | <u>189,647</u> | <u>190,192</u> | <u>(545)</u> |
| Revenues over (under) expenditures | (209,423) | (212,422) | (2,999) | (15,306) | (4,469) | 10,837 | (122,061) | (136,606) | (14,545) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 209,423 | 212,422 | 2,999 | 40,000 | 39,996 | (4) | 122,061 | 136,606 | 14,545 |
| Sale of Assets | - | - | - | 500 | 363 | (137) | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | (143,184) | (148,809) | (5,625) | - | - | - |
| Total other financing sources (uses) | <u>209,423</u> | <u>212,422</u> | <u>2,999</u> | <u>(102,684)</u> | <u>(108,450)</u> | <u>(5,766)</u> | <u>122,061</u> | <u>136,606</u> | <u>14,545</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | (117,990) | (112,919) | 5,071 | - | - | - |
| Fund balance at beginning of year | - | - | - | 162,861 | 162,861 | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 44,871</u> | <u>\$ 49,942</u> | <u>\$ 5,071</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Friend of the Court (2150) | | | Family Court Re-entry Initiative (2152) | | | Special Improvement Project (2155) | | |
|--|-------------------------------|-------------------|-------------------|---|-------------------|-------------------|--|---------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ 2,120,062 | \$ 803,572 | (\$ 1,316,490) | \$ 14,759 | \$ 20,066 | \$ 5,307 | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | 105,761 | 70,512 | (35,249) |
| Federal pass-thru | 398,554 | 1,516,173 | 1,117,619 | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | 225,550 | 235,138 | 9,588 | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | 44,400 | 41,739 | (2,661) | - | - | - | - | - | - |
| | <u>2,788,566</u> | <u>2,596,622</u> | <u>(191,944)</u> | <u>14,759</u> | <u>20,066</u> | <u>5,307</u> | <u>105,761</u> | <u>70,512</u> | <u>(35,249)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | 1,224,783 | 1,187,364 | 37,419 | - | - | - | - | - | - |
| General County government | 3,102,926 | 2,946,141 | 156,785 | 14,759 | 20,066 | (5,307) | 105,761 | 70,512 | 35,249 |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | 3,125 | - | 3,125 | - | - | - | - | - | - |
| | <u>4,330,834</u> | <u>4,133,505</u> | <u>197,329</u> | <u>14,759</u> | <u>20,066</u> | <u>(5,307)</u> | <u>105,761</u> | <u>70,512</u> | <u>35,249</u> |
| Revenues over (under) expenditures | (1,542,268) | (1,536,883) | 5,385 | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 1,542,268 | 1,533,694 | (8,574) | - | 187,500 | 187,500 | - | - | - |
| Sale of Assets | - | 227 | 227 | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>1,542,268</u> | <u>1,533,921</u> | <u>(8,347)</u> | <u>-</u> | <u>187,500</u> | <u>187,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | (2,962) | (2,962) | - | 187,500 | 187,500 | - | - | - |
| Fund balance at beginning of year | 211,669 | 211,669 | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ 211,669</u> | <u>\$ 208,707</u> | <u>(\$ 2,962)</u> | <u>\$ -</u> | <u>\$ 187,500</u> | <u>\$ 187,500</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Health Department (2210) | | | Accomodations Tax (2300) | | | Parks Development (2411) | | |
|--|-----------------------------|--------------------|-------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ 2,918,716 | \$ 1,371,971 | (\$ 1,546,745) | \$ - | \$ - | \$ - | \$ 115,200 | \$ 115,200 | \$ - |
| Federal | - | 9,120 | 9,120 | - | - | - | - | - | - |
| Federal pass-thru | - | 1,792,482 | 1,792,482 | - | - | - | - | - | - |
| Local units | 96,050 | 94,250 | (1,800) | - | - | - | - | - | - |
| Charges for services rendered | 990,201 | 980,592 | (9,609) | - | - | - | - | - | - |
| Contributions from private sources | 1,275 | 2,352 | 1,077 | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | 2 | 2 | 100 | 79 | (21) | - | - | - |
| Taxes | 229,507 | 269,443 | 39,936 | 761,971 | 771,818 | 9,847 | - | - | - |
| Rentals | 450 | 302 | (148) | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | 766,583 | 1,167,859 | 401,276 | - | - | - | - | - | - |
| | <u>5,002,782</u> | <u>5,688,373</u> | <u>685,591</u> | <u>762,071</u> | <u>771,897</u> | <u>9,826</u> | <u>115,200</u> | <u>115,200</u> | <u>-</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | 672,589 | 662,917 | 9,672 | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | 6,939,882 | 7,673,330 | (733,448) | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | 6,617 | 1,697 | 4,920 |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | 78,441 | 55,796 | 22,645 | - | - | - | 251,890 | 262,312 | (10,422) |
| | <u>7,018,323</u> | <u>7,729,126</u> | <u>(710,803)</u> | <u>672,589</u> | <u>662,917</u> | <u>9,672</u> | <u>258,507</u> | <u>264,009</u> | <u>(5,502)</u> |
| Revenues over (under) expenditures | (2,015,541) | (2,040,753) | (25,212) | 89,482 | 108,980 | 19,498 | (143,307) | (148,809) | (5,502) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 2,015,541 | 2,035,595 | 20,054 | - | - | - | 143,184 | 148,809 | 5,625 |
| Sale of Assets | - | 1,758 | 1,758 | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | (62,617) | (64,343) | (1,726) | - | - | - |
| Total other financing sources (uses) | 2,015,541 | 2,037,353 | 21,812 | (62,617) | (64,343) | (1,726) | 143,184 | 148,809 | 5,625 |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | (3,400) | (3,400) | 26,865 | 44,637 | 17,772 | (123) | - | 123 |
| Fund balance at beginning of year | 114,403 | 114,403 | - | 2,635 | 2,635 | - | 123 | 123 | - |
| Fund balance at end of year | \$ 114,403 | \$ 111,003 | (\$ 3,400) | \$ 29,500 | \$ 47,272 | \$ 17,772 | \$ - | \$ 123 | \$ 123 |

COUNTY OF MUSKEGON**Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2003**

| | Sewage Facilities Step One (2430) | | | CDBG Home Rehab (2470) | | | Deed Automation Fund (2560) | | |
|--|--------------------------------------|-----------------|--------------------|---------------------------|---------------|----------------|--------------------------------|------------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | 30,000 | 23,910 | (6,090) | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | 182,100 | 178,750 | (3,350) |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | 900 | 775 | (125) | - | - | - | 300 | 421 | 121 |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>900</u> | <u>775</u> | <u>(125)</u> | <u>30,000</u> | <u>23,910</u> | <u>(6,090)</u> | <u>182,400</u> | <u>179,171</u> | <u>(3,229)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | 129,028 | 101,178 | 27,850 |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | 3,646 | 3,646 | - | - | - | - | - | - | - |
| Welfare | - | - | - | 30,000 | 23,910 | 6,090 | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 2,500 | - | 2,500 |
| | <u>3,646</u> | <u>3,646</u> | <u>-</u> | <u>30,000</u> | <u>23,910</u> | <u>6,090</u> | <u>131,528</u> | <u>101,178</u> | <u>30,350</u> |
| Revenues over (under) expenditures | (2,746) | (2,871) | (125) | - | - | - | 50,872 | 77,993 | 27,121 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | (42,942) | (42,942) | - | - | - | - | - | - |
| Total other financing sources (uses) | - | (42,942) | (42,942) | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (2,746) | (45,813) | (43,067) | - | - | - | 50,872 | 77,993 | 27,121 |
| Fund balance at beginning of year | 45,813 | 45,813 | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ 43,067 | \$ - | (\$ 43,067) | \$ - | \$ - | \$ - | \$ 50,872 | \$ 77,993 | \$ 27,121 |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Budget Stabilization (2570) | | | Law Library (2610) | | | Community Corrections (2640) | | |
|--|--------------------------------|--------------|-----------|-----------------------|----------|----------|---------------------------------|------------|-------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 792,125 | \$ 722,487 | (\$ 69,638) |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | 171 | 171 | 166,590 | 154,819 | (11,771) |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | 6,500 | 6,500 | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | - | - | - | 6,500 | 6,671 | 171 | 958,715 | 877,306 | (81,409) |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | 21,445 | 18,261 | 3,184 | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | 1,290,643 | 1,230,636 | 60,007 |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 1,000 | - | 1,000 |
| | - | - | - | 21,445 | 18,261 | 3,184 | 1,291,643 | 1,230,636 | 61,007 |
| Revenues over (under) expenditures | - | - | - | (14,945) | (11,590) | 3,355 | (332,928) | (353,330) | (20,402) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | 50,000 | 50,000 | 14,945 | 11,590 | (3,355) | 332,928 | 351,918 | 18,990 |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | 50,000 | 50,000 | 14,945 | 11,590 | (3,355) | 332,928 | 351,918 | 18,990 |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | 50,000 | 50,000 | - | - | - | - | (1,412) | (1,412) |
| Fund balance at beginning of year | 1,350,000 | 1,350,000 | - | - | - | - | 1,412 | 1,412 | - |
| Fund balance at end of year | \$ 1,350,000 | \$ 1,400,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ 1,412 | \$ - | (\$ 1,412) |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Project Cornerstone (2650) | | | WMET (2670) | | | TNT Drug (2671) | | |
|--|-------------------------------|-----------------|----------------|-----------------|------------------|------------------|--------------------|-------------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | 44,779 | 45,996 | 1,217 | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | 1,500 | 1,500 | - | 9,485 | 9,485 |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | 4,000 | 2,828 | (1,172) |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | 38 | 38 |
| | <u>44,779</u> | <u>45,996</u> | <u>1,217</u> | <u>-</u> | <u>1,500</u> | <u>1,500</u> | <u>4,000</u> | <u>12,351</u> | <u>8,351</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | 121,705 | 119,876 | 1,829 | 340 | (13) | 353 | 15,362 | 21,433 | (6,071) |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 10,000 | 9,973 | 27 |
| | <u>121,705</u> | <u>119,876</u> | <u>1,829</u> | <u>340</u> | <u>(13)</u> | <u>353</u> | <u>25,362</u> | <u>31,406</u> | <u>(6,044)</u> |
| Revenues over (under) expenditures | (76,926) | (73,880) | 3,046 | (340) | 1,513 | 1,853 | (21,362) | (19,055) | 2,307 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 76,926 | 73,880 | (3,046) | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | (16,307) | - | 16,307 | - | - | - |
| Total other financing sources (uses) | 76,926 | 73,880 | (3,046) | (16,307) | - | 16,307 | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | (16,647) | 1,513 | 18,160 | (21,362) | (19,055) | 2,307 |
| Fund balance at beginning of year | - | - | - | 16,647 | 16,647 | - | 159,668 | 159,668 | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - | \$ 18,160 | \$ 18,160 | \$ 138,306 | \$ 140,613 | \$ 2,307 |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Prosecutor Drug Fund (2672) | | | Library (2710) | | | Wagner Peyser (2731) | | |
|--|--------------------------------|-----------------|-----------------|-------------------|------------------|------------------|-------------------------|----------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ 140,642 | \$ 141,037 | \$ 395 | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | 618,950 | 429,685 | (189,265) |
| Local units | - | - | - | 38,000 | 40,951 | 2,951 | - | - | - |
| Charges for services rendered | - | - | - | 8,248 | - | (8,248) | - | - | - |
| Contributions from private sources | - | - | - | 36,950 | 32,705 | (4,245) | - | - | - |
| Fines and forfeitures | - | - | - | 435,000 | 444,463 | 9,463 | - | - | - |
| Investment income | 800 | 644 | (156) | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | 6,000 | 5,503 | (497) | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | 118,300 | 116,736 | (1,564) | - | - | - |
| | <u>800</u> | <u>644</u> | <u>(156)</u> | <u>783,140</u> | <u>781,395</u> | <u>(1,745)</u> | <u>618,950</u> | <u>429,685</u> | <u>(189,265)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | 9,595 | 5,400 | 4,195 | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | 580,950 | 418,693 | 162,257 |
| Culture | - | - | - | 1,654,842 | 1,621,426 | 33,416 | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 38,000 | 10,992 | 27,008 |
| | <u>9,595</u> | <u>5,400</u> | <u>4,195</u> | <u>1,654,842</u> | <u>1,621,426</u> | <u>33,416</u> | <u>618,950</u> | <u>429,685</u> | <u>189,265</u> |
| Revenues over (under) expenditures | (8,795) | (4,756) | 4,039 | (871,702) | (840,031) | 31,671 | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | 846,024 | 844,305 | (1,719) | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | (26,377) | (20,590) | 5,787 | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>(26,377)</u> | <u>(20,590)</u> | <u>5,787</u> | <u>846,024</u> | <u>844,305</u> | <u>(1,719)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (35,172) | (25,346) | 9,826 | (25,678) | 4,274 | 29,952 | - | - | - |
| Fund balance at beginning of year | 35,172 | 35,172 | - | 28,178 | 28,178 | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 9,826</u> | <u>\$ 9,826</u> | <u>\$ 2,500</u> | <u>\$ 32,452</u> | <u>\$ 29,952</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | TAA/NAFTA (2733) | | | Reemployment Services (2738) | | | Economic Development Job Training (2750) | | |
|--|---------------------|----------------|------------------|---------------------------------|---------------|-----------------|--|----------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 750,000 | \$ 245,609 | (\$ 504,391) |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | 350,000 | 155,526 | (194,474) | 56,160 | 35,866 | (20,294) | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>350,000</u> | <u>155,526</u> | <u>(194,474)</u> | <u>56,160</u> | <u>35,866</u> | <u>(20,294)</u> | <u>750,000</u> | <u>245,609</u> | <u>(504,391)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | 350,000 | 155,526 | 194,474 | 56,160 | 35,866 | 20,294 | 750,000 | 245,609 | 504,391 |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>350,000</u> | <u>155,526</u> | <u>194,474</u> | <u>56,160</u> | <u>35,866</u> | <u>20,294</u> | <u>750,000</u> | <u>245,609</u> | <u>504,391</u> |
| Revenues over (under) expenditures | - | - | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Workfirst (2751) | | | State Level Service Center Operations (2757) | | | Food Stamp Program (2759) | | |
|--|---------------------|------------------|-----------------|--|--------------|--------------|------------------------------|---------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ 3,888 | \$ 3,684 | (\$ 204) | \$ 3,000 | \$ 116 | (\$ 2,884) |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | 1,050,954 | 1,150,547 | 99,593 | - | - | - | 117,943 | 67,950 | (49,993) |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | 7 | 7 | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>1,050,954</u> | <u>1,150,554</u> | <u>99,600</u> | <u>3,888</u> | <u>3,684</u> | <u>(204)</u> | <u>120,943</u> | <u>68,066</u> | <u>(52,877)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | 1,050,954 | 1,150,554 | (99,600) | 3,888 | 3,684 | 204 | 120,943 | 68,066 | 52,877 |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>1,050,954</u> | <u>1,150,554</u> | <u>(99,600)</u> | <u>3,888</u> | <u>3,684</u> | <u>204</u> | <u>120,943</u> | <u>68,066</u> | <u>52,877</u> |
| Revenues over (under) expenditures | - | - | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON**Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2003**

| | WIA Admin Pool (2760) | | | WIA Adult Program (2761) | | | WIA Youth Programs (2762) | | |
|--|--------------------------|----------------|------------------|-----------------------------|----------------|------------------|------------------------------|------------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | 377,977 | 262,733 | (115,244) | 788,390 | 652,337 | (136,053) | 1,422,268 | 1,560,169 | 137,901 |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | 28 | 28 | - | 27 | 27 |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>377,977</u> | <u>262,733</u> | <u>(115,244)</u> | <u>788,390</u> | <u>652,365</u> | <u>(136,025)</u> | <u>1,422,268</u> | <u>1,560,196</u> | <u>137,928</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | 367,977 | 254,457 | 113,520 | 741,087 | 652,365 | 88,722 | 1,412,268 | 1,560,196 | (147,928) |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | 10,000 | 8,276 | 1,724 | 47,303 | - | 47,303 | 10,000 | - | 10,000 |
| | <u>377,977</u> | <u>262,733</u> | <u>115,244</u> | <u>788,390</u> | <u>652,365</u> | <u>136,025</u> | <u>1,422,268</u> | <u>1,560,196</u> | <u>(137,928)</u> |
| Revenues over (under) expenditures | - | - | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | WIA Dislocated Worker Program (2763) | | | Welfare to Work (2764) | | | Strategic Planning (2765) | | |
|--|--|----------------|------------------|---------------------------|----------------|------------------|------------------------------|-------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 72,183 | \$ - | (\$ 72,183) |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | 732,065 | 511,706 | (220,359) | 805,943 | 400,685 | (405,258) | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | 386 | 386 | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>732,065</u> | <u>512,092</u> | <u>(219,973)</u> | <u>805,943</u> | <u>400,685</u> | <u>(405,258)</u> | <u>72,183</u> | <u>-</u> | <u>(72,183)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | 727,065 | 512,092 | 214,973 | 800,943 | 400,685 | 400,258 | 72,183 | - | 72,183 |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | 5,000 | - | 5,000 | 5,000 | - | 5,000 | - | - | - |
| | <u>732,065</u> | <u>512,092</u> | <u>219,973</u> | <u>805,943</u> | <u>400,685</u> | <u>405,258</u> | <u>72,183</u> | <u>-</u> | <u>72,183</u> |
| Revenues over (under) expenditures | - | - | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | WIA Youth Statewide (2766) | | | Incumbent Worker Program (2768) | | | Reed Act Funds (2769) | | |
|--|----------------------------------|---------------|--------------|------------------------------------|----------------|-----------------|--------------------------|------------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ 12,689 | \$ 12,689 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | 12,221 | - | (12,221) | 75,483 | (1,887) | (77,370) | 2,224,531 | 2,329,006 | 104,475 |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>12,221</u> | <u>12,689</u> | <u>468</u> | <u>75,483</u> | <u>(1,887)</u> | <u>(77,370)</u> | <u>2,224,531</u> | <u>2,329,006</u> | <u>104,475</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | 12,221 | 12,689 | (468) | 75,483 | (1,887) | 77,370 | 2,224,531 | 2,329,006 | (104,475) |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>12,221</u> | <u>12,689</u> | <u>(468)</u> | <u>75,483</u> | <u>(1,887)</u> | <u>77,370</u> | <u>2,224,531</u> | <u>2,329,006</u> | <u>(104,475)</u> |
| Revenues over (under) expenditures | - | - | - | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
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Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | WTW Youth Program (2770) | | | Crime Victims' Rights (2800) | | | Partnership for Adult Learning (PAL) (2820) | | |
|--|-----------------------------|----------------|------------------|---------------------------------|----------------|----------------|---|----------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 765,474 | \$ 665,835 | (\$ 99,639) |
| Federal | - | - | - | 138,187 | 137,997 | (190) | - | - | - |
| Federal pass-thru | 104,719 | 217,136 | 112,417 | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | 800 | 794 | (6) | - | - | - |
| | <u>104,719</u> | <u>217,136</u> | <u>112,417</u> | <u>138,987</u> | <u>138,791</u> | <u>(196)</u> | <u>765,474</u> | <u>665,835</u> | <u>(99,639)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | 145,962 | 142,839 | 3,123 | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | 104,719 | 217,136 | (112,417) | - | - | - | 765,474 | 665,835 | 99,639 |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>104,719</u> | <u>217,136</u> | <u>(112,417)</u> | <u>145,962</u> | <u>142,839</u> | <u>3,123</u> | <u>765,474</u> | <u>665,835</u> | <u>99,639</u> |
| Revenues over (under) expenditures | - | - | - | (6,975) | (4,048) | 2,927 | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | 6,975 | 4,048 | (2,927) | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | <u>6,975</u> | <u>4,048</u> | <u>(2,927)</u> | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
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Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Comp Strategy Implementation Grant (2821) | | | Juv Accountability Incentive Block Grant (2831) | | | Community Gun Violence (2832) | | |
|--|---|-----------------|-----------------|--|----------------|----------------|----------------------------------|-----------------|----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ 135,500 | \$ 135,146 | (\$ 354) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | 63,944 | 56,881 | (7,063) | 80,000 | 74,500 | (5,500) |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | 10,300 | - | (10,300) | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>145,800</u> | <u>135,146</u> | <u>(10,654)</u> | <u>63,944</u> | <u>56,881</u> | <u>(7,063)</u> | <u>80,000</u> | <u>74,500</u> | <u>(5,500)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | 71,049 | 63,275 | 7,774 | 100,818 | 100,959 | (141) |
| General County government | 161,314 | 148,211 | 13,103 | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>161,314</u> | <u>148,211</u> | <u>13,103</u> | <u>71,049</u> | <u>63,275</u> | <u>7,774</u> | <u>100,818</u> | <u>100,959</u> | <u>(141)</u> |
| Revenues over (under) expenditures | (15,514) | (13,065) | 2,449 | (7,105) | (6,394) | 711 | (20,818) | (26,459) | (5,641) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 15,514 | 16,797 | 1,283 | 7,105 | 6,394 | (711) | 20,818 | 26,459 | 5,641 |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 15,514 | 16,797 | 1,283 | 7,105 | 6,394 | (711) | 20,818 | 26,459 | 5,641 |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | 3,732 | 3,732 | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ - | \$ 3,732 | \$ 3,732 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | EDC Loan Revolving (2860) | | | Cherry Hill Loan (2871) | | | R. Fuchs CDBG Grant (2873) | | |
|--|------------------------------|-------------------|-------------------|----------------------------|------------------|--------------|-------------------------------|-----------------|-------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | 10,000 | 9,855 | (145) | 900 | 776 | (124) | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | 96,378 | 96,378 | - | - | - | - | - | - |
| | <u>10,000</u> | <u>106,233</u> | <u>96,233</u> | <u>900</u> | <u>776</u> | <u>(124)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | 79,417 | 53,956 | 25,461 | 258 | 117 | 141 | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>79,417</u> | <u>53,956</u> | <u>25,461</u> | <u>258</u> | <u>117</u> | <u>141</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) expenditures | (69,417) | 52,277 | 121,694 | 642 | 659 | 17 | - | - | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | (5,174) | (5,174) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (5,174) | (5,174) | - | - | - | - | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (74,591) | 47,103 | 121,694 | 642 | 659 | 17 | - | - | - |
| Fund balance at beginning of year | 345,581 | 345,581 | - | 41,005 | 41,005 | - | 3,549 | 3,549 | - |
| Fund balance at end of year | \$ 270,990 | \$ 392,684 | \$ 121,694 | \$ 41,647 | \$ 41,664 | \$ 17 | \$ 3,549 | \$ 3,549 | \$ - |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Link Michigan Study Project (2880) | | | Remonumentation Program (2890) | | | Social Welfare (2910) | | |
|--|--|----------------|-----------------|-----------------------------------|---------------|----------------|--------------------------|------------------|------------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ 75,588 | \$ 67,673 | (\$ 7,915) | \$ 1,100,000 | \$ 986,934 | (\$ 113,066) |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | 100,000 | 100,000 | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | 40,000 | - | (40,000) | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | 65,000 | 65,777 | 777 |
| | <u>140,000</u> | <u>100,000</u> | <u>(40,000)</u> | <u>75,588</u> | <u>67,673</u> | <u>(7,915)</u> | <u>1,165,000</u> | <u>1,052,711</u> | <u>(112,289)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | 145,000 | 105,000 | 40,000 | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | 1,176,032 | 1,062,760 | 113,272 |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | 83,588 | 75,673 | 7,915 | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>145,000</u> | <u>105,000</u> | <u>40,000</u> | <u>83,588</u> | <u>75,673</u> | <u>7,915</u> | <u>1,176,032</u> | <u>1,062,760</u> | <u>113,272</u> |
| Revenues over (under) expenditures | (5,000) | (5,000) | - | (8,000) | (8,000) | - | (11,032) | (10,049) | 983 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 5,000 | 5,000 | - | 8,000 | 8,000 | - | 11,032 | 10,049 | (983) |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>8,000</u> | <u>8,000</u> | <u>-</u> | <u>11,032</u> | <u>10,049</u> | <u>(983)</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON**Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2003**

| | Child Care Facility (2920) | | | Veterans Trust (2940) | | | Muskegon County Economic Development Commission (2960) | | |
|--|-------------------------------|--------------------|-----------------|--------------------------|---------------|-----------------|--|--------------|----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ 2,198,907 | \$ 2,226,314 | \$ 27,407 | \$ 36,000 | \$ 23,416 | (\$ 12,584) | \$ - | \$ - | \$ - |
| Federal | 26,800 | 27,047 | 247 | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | - |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | 105,500 | 81,100 | (24,400) | - | - | - | - | - | - |
| | <u>2,331,207</u> | <u>2,334,461</u> | <u>3,254</u> | <u>36,000</u> | <u>23,416</u> | <u>(12,584)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | - | - | - | 2,500 | 597 | 1,903 |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | 5,322,304 | 5,299,411 | 22,893 | - | - | - | - | - | - |
| Welfare | - | - | - | 36,000 | 23,416 | 12,584 | - | - | - |
| Culture | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>5,322,304</u> | <u>5,299,411</u> | <u>22,893</u> | <u>36,000</u> | <u>23,416</u> | <u>12,584</u> | <u>2,500</u> | <u>597</u> | <u>1,903</u> |
| Revenues over (under) expenditures | (2,991,097) | (2,964,950) | 26,147 | - | - | - | (2,500) | (597) | 1,903 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | 2,991,097 | 2,964,950 | (26,147) | - | - | - | 2,500 | 597 | (1,903) |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>2,991,097</u> | <u>2,964,950</u> | <u>(26,147)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,500</u> | <u>597</u> | <u>(1,903)</u> |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | - | - | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Mental Health Buildings (2970) | | | Victim Restitution (2980) | | | Convention Center Debt (3100) | | |
|--|-----------------------------------|-------------------|------------------|------------------------------|------------------|-----------------|----------------------------------|------------------|----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | 14,000 | 15,493 | 1,493 | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | 12,000 | 8,289 | (3,711) | 650 | 578 | (72) | 4,460 | 2,813 | (1,647) |
| Taxes | - | - | - | - | - | - | - | - | - |
| Rentals | 242,508 | 242,508 | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | 87,728 | 47,928 | (39,800) | - | - | - | - | - | - |
| | <u>342,236</u> | <u>298,725</u> | <u>(43,511)</u> | <u>14,650</u> | <u>16,071</u> | <u>1,421</u> | <u>4,460</u> | <u>2,813</u> | <u>(1,647)</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | 6,000 | 5,211 | 789 | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | 348,096 | 301,013 | 47,083 | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - | 621 | 700 | (79) |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | - | - | - | - | - | - | 250,000 | 250,000 | - |
| Interest | - | - | - | - | - | - | 11,625 | 11,625 | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | 51,800 | - | 51,800 | - | - | - | - | - | - |
| | <u>399,896</u> | <u>301,013</u> | <u>98,883</u> | <u>6,000</u> | <u>5,211</u> | <u>789</u> | <u>262,246</u> | <u>262,325</u> | <u>(79)</u> |
| Revenues over (under) expenditures | (57,660) | (2,288) | 55,372 | 8,650 | 10,860 | 2,210 | (257,786) | (259,512) | (1,726) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 62,617 | 64,343 | 1,726 |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | 62,617 | 64,343 | 1,726 |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (57,660) | (2,288) | 55,372 | 8,650 | 10,860 | 2,210 | (195,169) | (195,169) | - |
| Fund balance at beginning of year | 118,947 | 118,947 | - | 27,217 | 27,217 | - | 195,169 | 195,169 | - |
| Fund balance at end of year | <u>\$ 61,287</u> | <u>\$ 116,659</u> | <u>\$ 55,372</u> | <u>\$ 35,867</u> | <u>\$ 38,077</u> | <u>\$ 2,210</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF MUSKEGON**Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2003**

| | Quality of Life (3110)/(3111) | | | Hall of Justice Debt (3130) | | | Psychiatric Facility Debt (3141) | | |
|--|----------------------------------|-------------------|------------------|-----------------------------------|------------------|--------------|-------------------------------------|------------------|--------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| Revenues | | | | | | | | | |
| Grants | | | | | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal | - | - | - | - | - | - | - | - | - |
| Federal pass-thru | - | - | - | - | - | - | - | - | - |
| Local units | - | - | - | - | - | - | - | - | - |
| Charges for services rendered | - | - | - | - | - | - | - | - | - |
| Contributions from private sources | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Investment income | 23,850 | 24,024 | 174 | 313 | 133 | (180) | 1,300 | 1,362 | 62 |
| Taxes | 1,321,627 | 1,399,789 | 78,162 | - | - | - | - | - | - |
| Rentals | - | - | - | - | - | - | 219,919 | 219,919 | - |
| Special assessments | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| | <u>1,345,477</u> | <u>1,423,813</u> | <u>78,336</u> | <u>313</u> | <u>133</u> | <u>(180)</u> | <u>221,219</u> | <u>221,281</u> | <u>62</u> |
| Expenditures | | | | | | | | | |
| Current operations | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | - |
| General County government | - | - | - | 313 | 250 | 63 | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | 521 | 521 | - |
| Welfare | - | - | - | - | - | - | - | - | - |
| Culture | 696 | 71 | 625 | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Debt Services | | | | | | | | | |
| Principal | 550,000 | 550,000 | - | 180,000 | 180,000 | - | 220,000 | 220,000 | - |
| Interest | 692,137 | 692,137 | - | 312,829 | 312,829 | - | 23,450 | 23,450 | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| | <u>1,242,833</u> | <u>1,242,208</u> | <u>625</u> | <u>493,142</u> | <u>493,079</u> | <u>63</u> | <u>243,971</u> | <u>243,971</u> | <u>-</u> |
| Revenues over (under) expenditures | 102,644 | 181,605 | 78,961 | (492,829) | (492,946) | (117) | (22,752) | (22,690) | 62 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | 492,829 | 492,946 | 117 | - | - | - |
| Sale of Assets | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 492,829 | 492,946 | 117 | - | - | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 102,644 | 181,605 | 78,961 | - | - | - | (22,752) | (22,690) | 62 |
| Fund balance at beginning of year | 640,470 | 640,470 | - | - | - | - | 76,336 | 76,336 | - |
| Fund balance at end of year | \$ 743,114 | \$ 822,075 | \$ 78,961 | \$ - | \$ - | \$ - | \$ 53,584 | \$ 53,646 | \$ 62 |

COUNTY OF MUSKEGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Governmental Funds
Budget and Actual
For the Year ended September 30, 2003

| | Halmond Center Debt (3142)/(3143) | | |
|---|--|-----------------|-----------------|
| | Budget | Actual | Variance |
| Revenues | | | |
| Grants | | | |
| State | \$ - | \$ - | \$ - |
| Federal | - | - | - |
| Federal pass-thru | - | - | - |
| Local units | - | - | - |
| Charges for services rendered | - | - | - |
| Contributions from private sources | - | - | - |
| Fines and forfeitures | - | - | - |
| Investment income | 1,950 | 1,876 | (74) |
| Taxes | - | - | - |
| Rentals | 87,097 | 87,097 | - |
| Special assessments | - | - | - |
| Other | - | - | - |
| | <u>89,047</u> | <u>88,973</u> | <u>(74)</u> |
| Expenditures | | | |
| Current operations | | | |
| Judicial | - | - | - |
| General County government | - | - | - |
| Public safety | - | - | - |
| Health | 1,271 | 1,271 | - |
| Welfare | - | - | - |
| Culture | - | - | - |
| Recreation | - | - | - |
| Debt Services | | | |
| Principal | 130,000 | 130,000 | - |
| Interest | 54,454 | 54,454 | - |
| Other | - | - | - |
| Capital outlay | - | - | - |
| | <u>185,725</u> | <u>185,725</u> | <u>-</u> |
| Revenues over (under) expenditures | (96,678) | (96,752) | (74) |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Sale of Assets | - | - | - |
| Bond Proceeds | - | - | - |
| Transfers (out) | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES AND OTHER SOURCES OVER | | | |
| (UNDER) EXPENDITURES AND OTHER USES | (96,678) | (96,752) | (74) |
| Fund balance at beginning of year | <u>97,913</u> | <u>97,913</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,235</u> | <u>\$ 1,161</u> | <u>(\$ 74)</u> |

County of Muskegon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Major Governmental Fund - Water and Sewer Debt Year Ended September 30, 2003

| | Water and Sewer Debt - 3650 | | | |
|--|------------------------------------|-------------------------|---------------|-----------------------------|
| | Original Budget | Final Budget | Actual | Difference (+/-) |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Operating grants and contributions | - | - | - | - |
| Charges for services | 11,000 | 10,726 | 10,729 | 3 |
| Fines and forfeitures | - | - | - | - |
| Investment income | 94,353 | 17,300 | 15,719 | (1,581) |
| Rentals | - | - | - | - |
| Special assessments | 775,000 | 775,000 | 800,000 | 25,000 |
| Contributions from private sources | - | - | - | - |
| Other | 1,840 | 1,699 | 1,250 | (449) |
| Total revenues | 882,193 | 804,725 | 827,698 | 22,973 |
| Expenditures | | | | |
| Current operations | | | | |
| Legislative | - | - | - | - |
| Judicial | - | - | - | - |
| General County government | - | - | - | - |
| Public safety | - | - | - | - |
| Health | - | - | - | - |
| Welfare | - | - | - | - |
| Culture | - | - | - | - |
| Recreation | - | - | - | - |
| Other | 7,982 | 6,795 | 5,016 | 1,779 |
| Capital outlay | 100,000 | - | - | - |
| Debt service | | | | |
| Principal payments | 810,000 | 810,000 | 810,000 | - |
| Interest | 35,750 | 35,750 | 35,750 | - |
| Other | - | 724 | - | 724 |
| Total expenditures | 953,732 | 853,269 | 850,766 | 2,503 |
| Revenues over (under) expenditures | (71,539) | (48,544) | (23,068) | 25,476 |
| Other financing sources (uses) | | | | |
| Sales of Fixed Assets | - | - | - | - |
| Transfers in | 70,750 | 70,750 | 70,750 | - |
| Transfers (out) | 600,300 | - | - | - |
| | 671,050 | 70,750 | 70,750 | - |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 599,511 | 22,206 | 47,682 | 25,476 |
| Fund balance at beginning of year | 788,691 | 788,691 | 788,691 | - |
| Fund balance at end of year | \$ 1,388,202 | \$ 810,897 | \$ 836,373 | \$ 25,476 |

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NON-MAJOR PROPRIETARY FUNDS

Fairgrounds Operations (5083)--to account for building and maintaining the county fairgrounds and horse training track. Funds are provided by the renting of horse stalls.

Delinquent Tax Revolving Funds (5160, 5161, 5162, 5169)--to account for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the county's General Fund, the respective amount of taxes that are not collected as of March 1 of each year.

Fly Ash Program (5711)--to record the revenues received from, and the expenses made for, the disposal of fly ash. Monies for the operation of this fund are provided by charges to Consumers Power and Sappi for services.

Muskegon Area Transit System (5880)--the Muskegon Area Transit System provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 35% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 15% of the operating costs).

Northside Water (5910)--established for the connections and continued maintenance and operation of a water system for the townships of Dalton, Laketon, and Muskegon.

County of Muskegon

Other Non-Major Proprietary Funds

Combining Statement of Net Assets

September 30, 2003

| | Fairgrounds Operation (5083) | Delinquent Tax Revolving (5160) | Delinquent Tax Revolving (5161) | Delinquent Tax Revolving (5162) | Delinquent Tax Revolving (5169) |
|---|------------------------------------|--|--|--|--|
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash investments | \$ 1,022,051 | \$ - | \$ 6,084,924 | \$ 3,491,502 | \$ - |
| Accounts receivable | 18,600 | - | 8,972 | - | - |
| Intergovernmental receivable | - | - | - | - | - |
| Accrued interest receivable | 4,354 | - | 49,480 | 6,087 | - |
| Current portion of delinquent taxes receivable | - | - | 1,184,442 | 2,691,450 | - |
| Current portion of interest and penalties receivable on delinquent taxes | - | - | 552,740 | 1,031,723 | - |
| Prepaid expenses | 128,920 | - | - | - | - |
| Inventories | - | - | - | - | - |
| Restricted assets | - | - | - | - | - |
| Total current assets | 1,173,925 | - | 7,880,558 | 7,220,762 | - |
| NONCURRENT ASSETS | | | | | |
| Property and Equipment - at cost | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 676,091 | - | - | - | - |
| Buildings | 1,857,953 | - | - | - | - |
| Machinery and equipment | 92,041 | - | - | - | - |
| Construction in progress | - | - | - | - | - |
| Total Property and Equipment | 2,626,085 | - | - | - | - |
| Less accumulated depreciation | (876,896) | - | - | - | - |
| Property and Equipment - net | 1,749,189 | - | - | - | - |
| DELINQUENT TAXES RECEIVABLE | - | - | 394,814 | 3,289,550 | - |
| INTEREST AND PENALTIES RECEIVABLE | | | | | |
| ON DELINQUENT TAXES | - | - | - | 343,907 | - |
| TOTAL ASSETS | \$ 2,923,114 | \$ - | \$ 8,275,372 | \$ 10,854,219 | \$ - |

County of Muskegon

***Other Non-Major Proprietary Funds
Combining Statement of Net Assets***

September 30, 2003

| | | 2000 | 2001 | 2002 | 1999 |
|---|---------------------|-------------|---------------------|---------------------|-------------|
| | Fairgrounds | Delinquent | Delinquent | Delinquent | Delinquent |
| | Operation | Tax | Tax | Tax | Tax |
| | (5083) | Revolving | Revolving | Revolving | Revolving |
| | | (5160) | (5161) | (5162) | (5169) |
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT LIABILITIES | | | | | |
| Accounts payable | \$ 4,605 | \$ - | \$ - | \$ - | \$ - |
| Advances payable | - | - | - | - | - |
| Accrued liabilities | 30,084 | - | 18,167 | 51,000 | - |
| Current portion of long term debt | 170,000 | - | 1,500,000 | 7,500,000 | - |
| Total current liabilities | 204,689 | - | 1,518,167 | 7,551,000 | - |
| NONCURRENT LIABILITIES | | | | | |
| Tax anticipation notes payable | - | - | - | 1,500,000 | - |
| Long term debt | 995,000 | - | - | - | - |
| Total noncurrent liabilities | 995,000 | - | - | 1,500,000 | - |
| TOTAL LIABILITIES | 1,199,689 | - | 1,518,167 | 9,051,000 | - |
| NET ASSETS | | | | | |
| Invested in Capital Assets, Net of Related Debt | 584,189 | - | - | - | - |
| Unreserved | 1,139,236 | - | 6,757,205 | 1,803,219 | - |
| TOTAL NET ASSETS | \$ 1,723,425 | \$ - | \$ 6,757,205 | \$ 1,803,219 | \$ - |

County of Muskegon

Other Non-Major Proprietary Funds

Combining Statement of Net Assets

September 30, 2003

| | Fly Ash Program (5711) | Muskegon Area Transit System (5880) | Northside Water (5910) | Totals |
|---|------------------------------|--|------------------------------|---------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash investments | \$ 1,618,986 | \$ 124,264 | \$ 1,467,353 | \$ 13,809,080 |
| Accounts receivable | - | 6,437 | 16,538 | 50,547 |
| Intergovernmental receivable | - | 517,412 | 490,184 | 1,007,596 |
| Accrued interest receivable | 9,330 | 1 | 7,151 | 76,403 |
| Current portion of delinquent taxes receivable | - | - | - | 3,875,892 |
| Current portion of interest and penalties receivable on delinquent taxes | - | - | - | 1,584,463 |
| Prepaid expenses | - | - | - | 128,920 |
| Inventories | 516 | - | - | 516 |
| Restricted assets | 120,087 | - | - | 120,087 |
| Total current assets | 1,748,919 | 648,114 | 1,981,226 | 20,653,504 |
| NONCURRENT ASSETS | | | | |
| Property and Equipment - at cost | | | | |
| Land | - | 199,487 | - | 199,487 |
| Land improvements | 1,521 | - | - | 677,612 |
| Buildings | 213,369 | 5,799,390 | - | 7,870,712 |
| Machinery and equipment | 75,494 | 5,188,034 | - | 5,355,569 |
| Construction in progress | - | - | - | - |
| Total Property and Equipment | 290,384 | 11,186,911 | - | 14,103,380 |
| Less accumulated depreciation | (118,542) | (3,955,881) | - | (4,951,319) |
| Property and Equipment - net | 171,842 | 7,231,030 | - | 9,152,061 |
| DELINQUENT TAXES RECEIVABLE | - | - | - | 3,684,364 |
| INTEREST AND PENALTIES RECEIVABLE | | | | |
| ON DELINQUENT TAXES | - | - | - | 343,907 |
| TOTAL ASSETS | \$ 1,920,761 | \$ 7,879,144 | \$ 1,981,226 | \$ 33,833,836 |

County of Muskegon

***Other Non-Major Proprietary Funds
Combining Statement of Net Assets***

September 30, 2003

| | Fly Ash Program (5711) | Muskegon Area Transit System (5880) | Northside Water (5910) | Totals |
|---|---------------------------------------|--|---------------------------------------|-----------------------------|
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ 2,707 | \$ 42,259 | \$ 4,525 | \$ 54,096 |
| Advances payable | - | 52,545 | - | 52,545 |
| Accrued liabilities | 10,438 | 170,595 | 1,158 | 281,442 |
| Current portion of long term debt | - | - | - | 9,170,000 |
| Total current liabilities | <u>13,145</u> | <u>265,399</u> | <u>5,683</u> | <u>9,558,083</u> |
| NONCURRENT LIABILITIES | | | | |
| Tax anticipation notes payable | - | - | - | 1,500,000 |
| Long term debt | - | - | - | 995,000 |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,495,000</u> |
| TOTAL LIABILITIES | <u>13,145</u> | <u>265,399</u> | <u>5,683</u> | <u>12,053,083</u> |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 171,842 | 7,231,030 | - | 7,987,061 |
| Unreserved | <u>1,735,774</u> | <u>382,715</u> | <u>1,975,543</u> | <u>13,793,692</u> |
| TOTAL NET ASSETS | <u><u>\$ 1,907,616</u></u> | <u><u>\$ 7,613,745</u></u> | <u><u>\$ 1,975,543</u></u> | <u><u>\$ 21,780,753</u></u> |

County of Muskegon

Other Non-Major Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the the Year ending September 30, 2003

| | Fairgrounds Operation (5083) | 2000 Delinquent Tax Revolving (5160) | 2001 Delinquent Tax Revolving (5161) | 2002 Delinquent Tax Revolving (5162) | 1999 Delinquent Tax Revolving (5169) |
|--|------------------------------------|--|--|--|--|
| Operating revenues | | | | | |
| Charges for services | \$ 133,920 | \$ - | \$ - | \$ - | \$ - |
| Interest and penalties on delinquent taxes | - | - | 864,823 | 1,852,895 | - |
| Other | 32,612 | - | - | - | - |
| | <u>166,532</u> | <u>-</u> | <u>864,823</u> | <u>1,852,895</u> | <u>-</u> |
| Operating expenses | | | | | |
| Salaries and fringe benefits | 17,640 | - | - | - | - |
| Supplies and other operating expenses | 64,496 | - | 424 | 18,013 | - |
| Interest expense | - | - | 187,958 | 39,980 | - |
| Depreciation and amortization | 64,066 | - | - | - | - |
| | <u>146,202</u> | <u>-</u> | <u>188,382</u> | <u>57,993</u> | <u>-</u> |
| Operating income (loss) | 20,330 | - | 676,441 | 1,794,902 | - |
| Non-Operating revenues (expenses) | | | | | |
| Operating subsidies | - | - | - | - | - |
| Interest income | 16,107 | - | 179,827 | 8,542 | - |
| Interest expense | (96,962) | - | - | - | - |
| Other (net) | (450) | - | (425) | (225) | - |
| | <u>(81,305)</u> | <u>-</u> | <u>179,402</u> | <u>8,317</u> | <u>-</u> |
| Income (loss) before contributions and transfers | <u>(60,975)</u> | <u>-</u> | <u>855,843</u> | <u>1,803,219</u> | <u>-</u> |
| Capital contributions | - | - | - | - | - |
| Transfers in | 235,975 | - | 7,087,289 | - | - |
| Transfers (out) | - | (1,237,768) | (2,242,708) | - | (5,849,521) |
| | <u>235,975</u> | <u>(1,237,768)</u> | <u>4,844,581</u> | <u>-</u> | <u>(5,849,521)</u> |
| NET INCOME (LOSS) | 175,000 | (1,237,768) | 5,700,424 | 1,803,219 | (5,849,521) |
| Net Assets at beginning of year | 1,548,425 | 1,237,768 | 1,056,781 | - | 5,849,521 |
| Net Assets at end of year | <u>\$ 1,723,425</u> | <u>\$ -</u> | <u>\$ 6,757,205</u> | <u>\$ 1,803,219</u> | <u>\$ -</u> |

County of Muskegon

Other Non-Major Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the the Year ending September 30, 2003

| | Fly Ash Program (5711) | Muskegon Area Transit System (5880) | Northside Water (5910) | Totals |
|--|------------------------------|--|------------------------------|----------------------|
| Operating revenues | | | | |
| Charges for services | \$ 29,601 | \$ 254,822 | \$ 559,006 | \$ 977,349 |
| Interest and penalties on delinquent taxes | - | - | - | 2,717,718 |
| Other | - | 240 | 8,200 | 41,052 |
| | <u>29,601</u> | <u>255,062</u> | <u>567,206</u> | <u>3,736,119</u> |
| Operating expenses | | | | |
| Salaries and fringe benefits | 190,439 | 1,601,794 | 31,035 | 1,840,908 |
| Supplies and other operating expenses | 95,209 | 1,044,600 | 345,776 | 1,568,518 |
| Interest expense | - | - | - | 227,938 |
| Depreciation and amortization | 14,959 | 713,339 | - | 792,364 |
| | <u>300,607</u> | <u>3,359,733</u> | <u>376,811</u> | <u>4,429,728</u> |
| Operating income (loss) | (271,006) | (3,104,671) | 190,395 | (693,609) |
| Non-Operating revenues (expenses) | | | | |
| Operating subsidies | - | 2,375,327 | - | 2,375,327 |
| Interest income | 34,704 | - | 68,912 | 308,092 |
| Interest expense | - | - | - | (96,962) |
| Other (net) | (16,782) | 614 | - | (17,268) |
| | <u>17,922</u> | <u>2,375,941</u> | <u>68,912</u> | <u>2,569,189</u> |
| Income (loss) before contributions and transfers | <u>(253,084)</u> | <u>(728,730)</u> | <u>259,307</u> | <u>1,875,580</u> |
| Capital contributions | - | 381,555 | - | 381,555 |
| Transfers in | - | - | 42,942 | 7,366,206 |
| Transfers (out) | - | - | (70,750) | (9,400,747) |
| | <u>-</u> | <u>381,555</u> | <u>(27,808)</u> | <u>(1,652,986)</u> |
| NET INCOME (LOSS) | (253,084) | (347,175) | 231,499 | 222,594 |
| Net Assets at beginning of year | 2,160,700 | 7,960,920 | 1,744,044 | 21,558,159 |
| Net Assets at end of year | <u>\$ 1,907,616</u> | <u>\$ 7,613,745</u> | <u>\$ 1,975,543</u> | <u>\$ 21,780,753</u> |

County of Muskegon

Other Non-Major Proprietary Funds

COMBINING STATEMENT OF CASH FLOWS

For the Year ending September 30, 2003

| | Fairgrounds Operations (5083) | 2000 Delinquent Tax Revolving (5160) | 2001 Delinquent Tax Revolving (5161) | 2002 Delinquent Tax Revolving (5162) | 1999 Delinquent Tax Revolving (5169) |
|--|-------------------------------------|--|--|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Cash Received from Customers/Other Funds | \$ 153,140 | \$ 6,373 | \$ 855,851 | \$ 1,852,895 | \$ 6,457 |
| Cash Payments to Suppliers of Goods and Services | (44,527) | - | (424) | (18,013) | - |
| Cash Payments to Employees for Services | (17,340) | - | - | - | - |
| Interest paid | - | (36,833) | (257,041) | 11,020 | - |
| Other receipts (payments) | 32,612 | - | - | - | (364,280) |
| Net cash provided by (used for) Operating Activities | 123,885 | (30,460) | 598,386 | 1,845,902 | (357,823) |
| CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Tax collections | - | 1,920,746 | 4,894,453 | 6,622,248 | 329,705 |
| Delinquent tax payments to municipalities | - | - | - | (13,978,878) | - |
| Note payments | - | (2,500,000) | (7,500,000) | - | - |
| Note proceeds | - | - | - | 9,000,000 | - |
| Operating Subsidies from Grants | - | - | - | - | - |
| Transfers to other funds | - | (1,237,768) | (2,242,708) | - | (5,849,521) |
| Transfers from other funds | 235,975 | - | 7,087,289 | - | - |
| Advances from (to) other funds | - | - | - | - | - |
| Net cash provided by (used for) noncapital financing activities | 235,975 | (1,817,022) | 2,239,034 | 1,643,370 | (5,519,816) |
| CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Principal payments on long term debt | (175,000) | - | - | - | - |
| Interest payments on long term debt | (101,714) | - | - | - | - |
| Purchase of fixed assets | - | - | - | - | - |
| Construction in progress | - | - | - | - | - |
| Sale of fixed assets | - | - | - | - | - |
| Capital contributions and grants | - | - | - | - | - |
| Net cash provided by (used for) capital and related financing activities | (276,714) | - | - | - | - |

County of Muskegon

Other Non-Major Proprietary Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

For the Year ending September 30, 2003

| | Fairgrounds Operations (5083) | 2000 Delinquent Tax Revolving (5160) | 2001 Delinquent Tax Revolving (5161) | 2002 Delinquent Tax Revolving (5162) | 1999 Delinquent Tax Revolving (5169) |
|--|-------------------------------------|--|--|--|--|
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Interest received from investment pool | 15,300 | 12,028 | 134,350 | 2,230 | 30,187 |
| Net cash provided by investing activities | 15,300 | 12,028 | 134,350 | 2,230 | 30,187 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 98,446 | (1,835,454) | 2,971,770 | 3,491,502 | (5,847,452) |
| Cash and cash equivalents, September 30, 2002 | 923,605 | 1,835,454 | 3,113,154 | - | 5,847,452 |
| Cash and cash equivalents, September 30, 2003 | <u>\$ 1,022,051</u> | <u>\$ -</u> | <u>\$ 6,084,924</u> | <u>\$ 3,491,502</u> | <u>\$ -</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | <u>\$ 20,330</u> | <u>\$ -</u> | <u>\$ 676,441</u> | <u>\$ 1,794,902</u> | <u>\$ -</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | |
| Depreciation expense | 64,066 | - | - | - | - |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) decrease in accounts receivable | 19,219 | 6,373 | (8,972) | - | 6,457 |
| Decrease in intergovernmental receivable | - | - | - | - | - |
| Increase (decrease) in deferred revenue | - | - | - | - | - |
| Increase (decrease) in accounts payable | 386 | - | - | - | - |
| (Increase) decrease in prepaid expenses | 19,584 | - | - | - | - |
| (Increase) decrease in restricted assets | - | - | - | - | - |
| Increase (decrease) in due to other funds | - | - | - | - | - |
| Increase (decrease) in accruals | 300 | (36,833) | (69,083) | 51,000 | (364,280) |
| Total Adjustments | 103,555 | (30,460) | (78,055) | 51,000 | (357,823) |
| Net cash provided by (used for) operations | <u>\$ 123,885</u> | <u>(\$ 30,460)</u> | <u>\$ 598,386</u> | <u>\$ 1,845,902</u> | <u>(\$ 357,823)</u> |

Other Non-Major Proprietary Funds
COMBINING STATEMENT OF CASH FLOWS
For the Year ending September 30, 2003

| | Fly Ash Program (5711) | Muskegon Area Transit System (5880) | Northside Water (5910) | 2003 |
|--|------------------------------|--|------------------------------|--------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Cash Received from Customers/Other Funds | \$ 29,601 | (\$ 1,723,145) | \$ 709,016 | \$ 1,890,188 |
| Cash Payments to Suppliers of Goods and Services | (95,463) | (1,163,603) | (370,591) | (1,692,621) |
| Cash Payments to Employees for Services | (188,337) | (1,566,522) | (30,761) | (1,802,960) |
| Interest paid | - | - | - | (282,854) |
| Other receipts (payments) | - | - | 8,200 | (323,468) |
| Net cash provided by (used for) Operating Activities | (254,199) | (4,453,270) | 315,864 | (2,211,715) |
| CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Tax collections | - | - | - | 13,767,152 |
| Delinquent tax payments to municipalities | - | - | - | (13,978,878) |
| Note payments | - | - | - | (10,000,000) |
| Note proceeds | - | - | - | 9,000,000 |
| Operating Subsidies from Grants | - | 4,548,069 | - | 4,548,069 |
| Transfers to other funds | - | - | (70,750) | (9,400,747) |
| Transfers from other funds | - | - | 42,942 | 7,366,206 |
| Advances from (to) other funds | - | 23,563 | - | 23,563 |
| Net cash provided by (used for) noncapital financing activities | - | 4,571,632 | (27,808) | 1,325,365 |
| CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal payments on long term debt | - | - | - | (175,000) |
| Interest payments on long term debt | - | - | - | (101,714) |
| Purchase of fixed assets | - | (376,277) | - | (376,277) |
| Construction in progress | - | - | - | - |
| Sale of fixed assets | - | 614 | - | 614 |
| Capital contributions and grants | - | 381,555 | - | 381,555 |
| Net cash provided by (used for) capital and related financing activities | - | 5,892 | - | (270,822) |

County of Muskegon

Other Non-Major Proprietary Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

For the Year ending September 30, 2003

| | Fly Ash Program (5711) | Muskegon Area Transit System (5880) | Northside Water (5910) | 2003 |
|--|------------------------------|--|------------------------------|-----------------------|
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Interest received from investment pool | 35,187 | 10 | 66,445 | 295,737 |
| Net cash provided by investing activities | 35,187 | 10 | 66,445 | 295,737 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (219,012) | 124,264 | 354,501 | (861,435) |
| Cash and cash equivalents, September 30, 2002 | 1,837,998 | - | 1,112,852 | 14,670,515 |
| Cash and cash equivalents, September 30, 2003 | <u>\$ 1,618,986</u> | <u>\$ 124,264</u> | <u>\$ 1,467,353</u> | <u>\$ 13,809,080</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | <u>(\$ 271,006)</u> | <u>(\$ 3,104,671)</u> | <u>\$ 190,395</u> | <u>(\$ 693,609)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation expense | 14,959 | 713,339 | - | 792,364 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) decrease in accounts receivable | - | (754) | 150,010 | 172,333 |
| Decrease in intergovernmental receivable | 29,601 | - | - | 29,601 |
| Increase (decrease) in deferred revenue | (29,601) | - | - | (29,601) |
| Increase (decrease) in accounts payable | (1,971) | (119,004) | (24,815) | (145,404) |
| (Increase) decrease in prepaid expenses | - | - | - | 19,584 |
| (Increase) decrease in restricted assets | 1,717 | - | - | 1,717 |
| Increase (decrease) in due to other funds | - | (1,977,452) | - | (1,977,452) |
| Increase (decrease) in accruals | 2,102 | 35,272 | 274 | (381,248) |
| Total Adjustments | <u>16,807</u> | <u>(1,348,599)</u> | <u>125,469</u> | <u>(1,518,106)</u> |
| Net cash provided by (used for) operations | <u>(\$ 254,199)</u> | <u>(\$ 4,453,270)</u> | <u>\$ 315,864</u> | <u>(\$ 2,211,715)</u> |

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INTERNAL SERVICE FUNDS

Central Stores (6330)--to account for the general county printing services which provides all common offices with necessary support.

County South Campus (6340)--to account for the operations and maintenance of county buildings clustered in a one block area. This fund is self-sustaining with the revenues generated to be used for maintaining the buildings.

Equipment Revolving (6660)--to account for revenues collected on equipment leased to user departments of the county. The fund is self-sustaining with the revenues generated to be used for replacement of broken and outdated equipment.

Insurance (6770)--to account for revenues collected from user departments for the payment of insurance premiums and claims. The county is self-insured for workers' compensation, unemployment insurance, health insurance, dental insurance and collision on auto fleet insurance.

CMH ISF Risk (6772)--to cover the potential risk of actual expenses associated with the delivery of behavioral health and developmental disabilities services to the Medicaid and uninsured population exceeding a contractual funding level.

County of Muskegon

Internal Service Funds

Combining Balance Sheet

September 30, 2003

| ASSETS | Central Stores (6330) | County South Campus (6340) | Equipment Revolving (6660) | Insurance (6770) | CMH ISF Risk (6772) | Totals |
|---|-----------------------------|-------------------------------------|----------------------------------|---------------------|---------------------------|----------------------|
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | \$ 312,334 | \$ 77,855 | \$ 82,110 | \$ 8,297,522 | \$ 2,272,831 | \$ 11,042,652 |
| Accounts receivable | 4,347 | - | 57 | 1,418 | 188,000 | 193,822 |
| Accrued interest receivable | 1,302 | - | 673 | 38,196 | 13,335 | 53,506 |
| Total current assets | 317,983 | 77,855 | 82,840 | 8,337,136 | 2,474,166 | 11,289,980 |
| NONCURRENT ASSETS | | | | | | |
| Long-term note receivable | - | - | - | 200,000 | - | 200,000 |
| Long-term advance to other funds | - | - | - | 1,282,822 | - | 1,282,822 |
| Property and Equipment - at cost | | | | | | |
| Land | - | - | 444,908 | - | - | 444,908 |
| Buildings | - | - | 1,573,011 | - | - | 1,573,011 |
| Machinery and equipment | - | - | 8,491,665 | - | - | 8,491,665 |
| Total Property and Equipment | - | - | 10,509,584 | - | - | 10,509,584 |
| Less accumulated depreciation | - | - | (6,028,223) | - | - | (6,028,223) |
| Total Property and Equipment - net | - | - | 4,481,361 | - | - | 4,481,361 |
| TOTAL ASSETS | \$ 317,983 | \$ 77,855 | \$ 4,564,201 | \$ 9,819,958 | \$ 2,474,166 | \$ 17,254,163 |

County of Muskegon

***Internal Service Funds
Combining Balance Sheet***

September 30, 2003

| LIABILITIES AND NET ASSETS | Central Stores (6330) | County South Campus (6340) | Equipment Revolving (6660) | Insurance (6770) | CMH ISF Risk (6772) | Totals |
|--|--------------------------------------|---|---|-----------------------------|------------------------------------|---------------|
| CURRENT LIABILITIES | | | | | | |
| Accounts payable | \$ 14,426 | \$ 75,405 | \$ 57,022 | \$ 264,684 | \$ - | \$ 411,537 |
| Accrued liabilities | 2,937 | 2,450 | 188,000 | 3,875,471 | - | 4,068,858 |
| Total current liabilities | 17,363 | 77,855 | 245,022 | 4,140,155 | - | 4,480,395 |
| NONCURRENT LIABILITIES | | | | | | |
| Land Contract Payable | - | - | 171,116 | - | - | 171,116 |
| Long-term advances from other funds | - | - | 702,069 | - | - | 702,069 |
| Total noncurrent liabilities | - | - | 873,185 | - | - | 873,185 |
| TOTAL LIABILITIES | 17,363 | 77,855 | 1,118,207 | 4,140,155 | - | 5,353,580 |
| NET ASSETS | | | | | | |
| Invested in capital assets - net of related debt | - | - | 3,445,994 | - | - | 3,445,994 |
| Unreserved | 300,620 | - | - | 5,679,803 | 2,474,166 | 8,454,589 |
| TOTAL NET ASSETS | \$ 300,620 | \$ - | \$ 3,445,994 | \$ 5,679,803 | \$ 2,474,166 | \$ 11,900,583 |

County of Muskegon

Internal Service Funds

**Combining Statement of Revenues, Expenses
and Changes in fund Net Assets**

September 30, 2003

| | Central Stores (6330) | County South Campus (6340) | Equipment Revolving (6660) | Insurance (6770) | CMH ISF Risk (6772) | Totals |
|--|-----------------------------|-------------------------------------|----------------------------------|---------------------|---------------------------|----------------------|
| Operating revenues | | | | | | |
| Intergovernmental revenues | \$ - | \$ 762,261 | \$ 1,492,025 | \$ 11,380,891 | \$ - | \$ 13,635,177 |
| Other | 553,984 | - | 729,196 | 1,372,030 | - | 2,655,210 |
| | <u>553,984</u> | <u>762,261</u> | <u>2,221,221</u> | <u>12,752,921</u> | <u>-</u> | <u>16,290,387</u> |
| Operating expenses | | | | | | |
| Salaries and fringes | 21,799 | 151,447 | - | 1,452,705 | - | 1,625,951 |
| Supplies and other operating expenses | 499,130 | 598,452 | 962,059 | 1,611,375 | - | 3,671,016 |
| Insurance benefits and claims | - | - | - | 1,277,289 | - | 1,277,289 |
| Insurance premiums | - | 12,362 | 535 | 7,565,034 | - | 7,577,931 |
| Interest expense | - | - | 24,487 | - | - | 24,487 |
| Depreciation | - | - | 1,134,479 | - | - | 1,134,479 |
| | <u>520,929</u> | <u>762,261</u> | <u>2,121,560</u> | <u>11,906,403</u> | <u>-</u> | <u>15,311,153</u> |
| Operating income (loss) | 33,055 | - | 99,661 | 846,518 | - | 979,234 |
| Non-Operating revenues (expenses) | | | | | | |
| Investment income | 4,407 | - | 1,324 | 146,339 | 45,992 | 198,062 |
| Income (loss) before transfers | <u>37,462</u> | <u>-</u> | <u>100,985</u> | <u>992,857</u> | <u>45,992</u> | <u>1,177,296</u> |
| Transfers (in) | - | - | 116,685 | - | - | 116,685 |
| Transfers (out) | - | - | (368,595) | - | - | (368,595) |
| | <u>-</u> | <u>-</u> | <u>(251,910)</u> | <u>-</u> | <u>-</u> | <u>(251,910)</u> |
| NET INCOME (LOSS) | 37,462 | - | (150,925) | 992,857 | 45,992 | 925,386 |
| Net Assets at beginning of year | 263,158 | - | 3,596,919 | 4,686,946 | 2,428,174 | 10,975,197 |
| Net Assets at end of year | \$ 300,620 | \$ - | \$ 3,445,994 | \$ 5,679,803 | \$ 2,474,166 | \$ 11,900,583 |

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows

For the Year ending September 30, 2003

| | Central Stores (6330) | County South Campus (6340) | Equipment Revolving (6660) | Insurance (6770) | CMH ISF Risk (6772) | Total |
|--|-----------------------------|-------------------------------------|----------------------------------|---------------------|---------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Cash Received from Customers/Other Funds | \$ 552,513 | \$ 762,261 | \$ 2,222,409 | \$ 12,992,231 | \$ - | \$ 16,529,414 |
| Cash Payments to Suppliers of Goods and Services | (493,715) | (579,219) | (816,821) | (10,777,727) | (188,000) | (12,855,482) |
| Cash Payments to Employees for Services | (18,964) | (152,137) | - | (1,452,705) | - | (1,623,806) |
| Net cash provided by (used for) Operating Activities | <u>39,834</u> | <u>30,905</u> | <u>1,405,588</u> | <u>761,799</u> | <u>(188,000)</u> | <u>2,050,126</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Advances to other funds | (30,000) | - | (29,102) | - | - | (59,102) |
| Transfers in | - | - | 116,685 | - | - | 116,685 |
| Transfers out | - | - | (368,595) | - | - | (368,595) |
| Net cash provided by (used for) noncapital financing activities | <u>(30,000)</u> | <u>-</u> | <u>(281,012)</u> | <u>-</u> | <u>-</u> | <u>(311,012)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Principal payments on long term debt | - | - | (21,755) | - | - | (21,755) |
| Principal received on long term advances | - | - | - | 70,871 | - | 70,871 |
| Sales of Assets | - | - | - | - | - | - |
| Purchase of fixed assets | - | - | (1,109,711) | - | - | (1,109,711) |
| Net cash provided by (used for) capital and related financing activities | <u>-</u> | <u>-</u> | <u>(1,131,466)</u> | <u>70,871</u> | <u>-</u> | <u>(1,060,595)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received from investment pool | <u>4,177</u> | <u>-</u> | <u>3,755</u> | <u>144,184</u> | <u>44,761</u> | <u>196,877</u> |
| Net cash provided by investing activities | <u>4,177</u> | <u>-</u> | <u>3,755</u> | <u>144,184</u> | <u>44,761</u> | <u>196,877</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 14,011 | 30,905 | (3,135) | 976,854 | (143,239) | 875,396 |
| Cash and cash equivalents, September 30, 2002 | <u>298,323</u> | <u>46,950</u> | <u>85,245</u> | <u>7,320,668</u> | <u>2,416,070</u> | <u>10,167,256</u> |
| Cash and cash equivalents, September 30, 2003 | <u>\$ 312,334</u> | <u>\$ 77,855</u> | <u>\$ 82,110</u> | <u>\$ 8,297,522</u> | <u>\$ 2,272,831</u> | <u>\$ 11,042,652</u> |

This Statement covers more than one page.

County of Muskegon

Governmental Activities Internal Service Funds

Statement of Cash Flows - continued

For the Year ending September 30, 2003

| | Central Stores (6330) | South Campus (6340) | Equipment Revolving (6660) | Insurance (6770) | CMH ISF Risk (6772) | Total |
|--|-----------------------------|---------------------------|----------------------------------|--------------------------|----------------------------|----------------------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | | | |
| Operating income (loss) | <u>\$ 33,055</u> | <u>\$ -</u> | <u>\$ 99,661</u> | <u>\$ 846,518</u> | <u>\$ -</u> | <u>\$ 979,234</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Depreciation expense | - | - | 1,134,479 | - | - | 1,134,479 |
| Loss (Gain) on sale of fixed assets | - | - | - | - | - | - |
| Changes in Assets and Liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | (1,471) | - | 1,188 | 113 | - | (170) |
| Increase (decrease) in accounts payable | 5,415 | 31,595 | 170,260 | 132,316 | - | 339,586 |
| Increase (decrease) in accrued liabilities | <u>2,835</u> | <u>(690)</u> | <u>-</u> | <u>(217,148)</u> | <u>(188,000)</u> | <u>(403,003)</u> |
| Total Adjustments | <u>6,779</u> | <u>30,905</u> | <u>1,305,927</u> | <u>(84,719)</u> | <u>(188,000)</u> | <u>1,070,892</u> |
| Net cash provided by (used for) operations | <u><u>\$ 39,834</u></u> | <u><u>\$ 30,905</u></u> | <u><u>\$ 1,405,588</u></u> | <u><u>\$ 761,799</u></u> | <u><u>(\$ 188,000)</u></u> | <u><u>\$ 2,050,126</u></u> |

This Statement covers more than one page.

AGENCY FUNDS

Agency (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, garnishments and restitutions. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes. The administrative area hold Social Security payments, retirement payments, state-withheld income taxes and other payroll deductions.

Library Penal Fines (7210)--to account for monies received from District Court fines, in accordance with state statute (Section 4851 of Act 236 of the Public Acts of 1961), which are allocated annually for operations of the county's libraries.

Central Dispatch (7708)--to account for monies received from state and local grants, as well as assessments on participating municipalities for the operation and updating of the public safety communications services.

Labor Management Program (7910)--to account for monies received from various employers who provide funding for this program, the purpose of which is to improve productivity and the quality of work life by assisting in the establishment of good labor-management relationships.

Muskegon Veterans Affairs (7940)--to account for monies received for the operation of a veteran's center.

Orchard View (7982)--to account for monies received from the state for employment of economically disadvantaged youths.

County of Muskegon

Agency Funds

COMBINING BALANCE SHEET

September 30, 2003

| | Agency Funds | | | | | |
|---|----------------------|----------------------------------|-------------------------------|--|---|---------------------------|
| | Agency (7010) | Library Penal Fines (7210) | Central Dispatch (7708) | Labor Management Program (7910) | Muskegon Veterans Affairs (7940) | Orchard View (7982) |
| | | | | | | Totals |
| ASSETS | | | | | | |
| Cash and cash investments | \$ 10,266,133 | \$ 179,594 | \$ 1,393,725 | \$ 63,909 | \$ 2,491 | \$ 31,344 |
| Accounts receivable | 1,126,410 | - | 107,548 | - | - | - |
| Intergovernmental receivable | - | - | - | - | - | - |
| Accrued interest receivable | - | 2,014 | 5,545 | 302 | 208 | 170 |
| | <u>\$ 11,392,543</u> | <u>\$ 181,608</u> | <u>\$ 1,506,818</u> | <u>\$ 64,211</u> | <u>\$ 2,699</u> | <u>\$ 31,514</u> |
| | | | | | | <u>\$ 13,179,393</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 875 | \$ - | \$ 24,310 | \$ 675 | \$ 693 | \$ - |
| Intergovernmental payable | 797,908 | - | - | - | - | - |
| Undistributed current and delinquent taxes | 8,158,937 | - | - | - | - | - |
| Trust deposits | 2,205,411 | - | - | - | - | - |
| Accrued liabilities | - | - | 36,165 | 631 | - | - |
| Unallocated receipts | 203,299 | 181,608 | 1,446,343 | 62,905 | 2,006 | 31,514 |
| Fines and Fees due to local municipalities and libraries | 26,113 | - | - | - | - | - |
| | <u>\$ 11,392,543</u> | <u>\$ 181,608</u> | <u>\$ 1,506,818</u> | <u>\$ 64,211</u> | <u>\$ 2,699</u> | <u>\$ 31,514</u> |
| | | | | | | <u>\$ 13,179,393</u> |

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES

For the Year ended September 30, 2003

| | <u>Balance Oct. 1, 2002</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance Sept. 30, 2003</u> |
|---|---------------------------------|-----------------------|-----------------------|-----------------------------------|
| Trust and Agency (7010) | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 1,341,100 | \$ 105,836,406 | \$ 96,911,373 | \$ 10,266,133 |
| Accounts receivable | 541,135 | 1,782,400 | 1,197,125 | 1,126,410 |
| | <u>\$ 1,882,235</u> | <u>\$ 107,618,806</u> | <u>\$ 98,108,498</u> | <u>\$ 11,392,543</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 19,400 | \$ 58,644,667 | \$ 58,663,192 | \$ 875 |
| Intergovernmental payable | 749,911 | 10,694,139 | 10,646,142 | 797,908 |
| Undistributed current and delinquent taxes | 582,523 | 71,151,884 | 63,575,470 | 8,158,937 |
| Fines and fees due to local municipalities and libraries | 24,852 | 322,591 | 321,330 | 26,113 |
| Trust deposits | 442,290 | 25,468,891 | 23,705,770 | 2,205,411 |
| Unallocated receipts | 63,259 | 9,272,787 | 9,132,747 | 203,299 |
| | <u>\$ 1,882,235</u> | <u>\$ 175,554,959</u> | <u>\$ 166,044,651</u> | <u>\$ 11,392,543</u> |
| Library Penal Fines (7210) | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 169,620 | \$ 645,579 | \$ 635,605 | \$ 179,594 |
| Accrued interest receivable | 1,793 | 6,738 | 6,517 | 2,014 |
| | <u>\$ 171,413</u> | <u>\$ 652,317</u> | <u>\$ 642,122</u> | <u>\$ 181,608</u> |
| LIABILITIES | | | | |
| Unallocated receipts | \$ 171,413 | \$ 856,316 | \$ 846,121 | \$ 181,608 |
| | <u>\$ 171,413</u> | <u>\$ 856,316</u> | <u>\$ 846,121</u> | <u>\$ 181,608</u> |

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2003

| | Balance Oct. 1, 2002 | Additions | Deductions | Balance Sept. 30, 2003 |
|---|-------------------------|---------------------|---------------------|---------------------------|
| Central Dispatch (7708) | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 430,914 | \$ 3,420,599 | \$ 2,457,788 | \$ 1,393,725 |
| Accounts receivable | 233,976 | 1,271,408 | 1,397,836 | 107,548 |
| Accrued interest receivable | 1,449 | 15,177 | 11,081 | 5,545 |
| | <u>\$ 666,339</u> | <u>\$ 4,707,184</u> | <u>\$ 3,866,705</u> | <u>\$ 1,506,818</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 16,639 | \$ 1,147,270 | \$ 1,139,599 | \$ 24,310 |
| Accrued liabilities | 29,107 | 41,809 | 34,751 | 36,165 |
| Unallocated receipts | 620,593 | 3,051,065 | 2,225,315 | 1,446,343 |
| | <u>\$ 666,339</u> | <u>\$ 4,240,144</u> | <u>\$ 3,399,665</u> | <u>\$ 1,506,818</u> |
| Labor Management Program (7910) | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 69,851 | \$ 74,427 | \$ 80,369 | \$ 63,909 |
| Accrued interest receivable | 293 | 1,091 | 1,082 | 302 |
| | <u>\$ 70,144</u> | <u>\$ 75,518</u> | <u>\$ 81,451</u> | <u>\$ 64,211</u> |
| Accounts payable | \$ 782 | \$ 52,269 | \$ 52,376 | \$ 675 |
| Accrued liabilities | 569 | 631 | 569 | 631 |
| Unallocated receipts | 68,793 | 74,436 | 80,324 | 62,905 |
| | <u>\$ 70,144</u> | <u>\$ 127,336</u> | <u>\$ 133,269</u> | <u>\$ 64,211</u> |
| Muskegon Veterans Affairs (7940) | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 7,556 | \$ 273,343 | \$ 278,408 | \$ 2,491 |
| Accrued interest receivable | 189 | 528 | 509 | 208 |
| | <u>\$ 7,745</u> | <u>\$ 273,871</u> | <u>\$ 278,917</u> | <u>\$ 2,699</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 4,145 | \$ 221,818 | \$ 225,270 | \$ 693 |
| Unallocated receipts | 3,600 | 271,258 | 272,852 | 2,006 |
| | <u>\$ 7,745</u> | <u>\$ 493,076</u> | <u>\$ 498,122</u> | <u>\$ 2,699</u> |
| Orchard View (7982) | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 30,543 | \$ 1,049 | \$ 248 | \$ 31,344 |
| Intergovernmental receivable | 478 | - | 478 | - |
| Accrued interest receivable | 152 | 589 | 571 | 170 |
| | <u>\$ 31,173</u> | <u>\$ 1,638</u> | <u>\$ 1,297</u> | <u>\$ 31,514</u> |
| LIABILITIES | | | | |
| Unallocated receipts | <u>\$ 31,173</u> | <u>\$ 589</u> | <u>\$ 248</u> | <u>\$ 31,514</u> |

County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2003

| | <u>Balance Oct. 1, 2002</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance Sept. 30, 2003</u> |
|---|---------------------------------|-----------------------|-----------------------|-----------------------------------|
| TOTALS - All Agency Funds | | | | |
| ASSETS | | | | |
| Cash and cash investments | \$ 2,049,584 | \$ 110,251,403 | \$ 100,363,791 | \$ 11,937,196 |
| Accounts receivable | 775,111 | 3,053,808 | 2,594,961 | 1,233,958 |
| 'Intergovernmental receivable | 478 | - | 478 | - |
| Accrued interest receivable | 3,876 | 24,123 | 19,760 | 8,239 |
| | <u>\$ 2,829,049</u> | <u>\$ 113,329,334</u> | <u>\$ 102,978,990</u> | <u>\$ 13,179,393</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 40,966 | \$ 60,066,024 | \$ 60,080,437 | \$ 26,553 |
| Accrued liabilities | 29,676 | 42,440 | 35,320 | 36,796 |
| Undistributed current and delinquent taxes | 582,523 | 71,151,884 | 63,575,470 | 8,158,937 |
| Intergovernmental payable | 749,911 | 10,694,139 | 10,646,142 | 797,908 |
| Fines and fees due to local municipalities and libraries | 24,852 | 322,591 | 321,330 | 26,113 |
| Trust deposits | 442,290 | 25,468,891 | 23,705,770 | 2,205,411 |
| Unallocated receipts | 958,831 | 13,526,451 | 12,557,607 | 1,927,675 |
| | <u>\$ 2,829,049</u> | <u>\$ 181,272,420</u> | <u>\$ 170,922,076</u> | <u>\$ 13,179,393</u> |

County of Muskegon

GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION*
Ten years ended September 30, 2003
(Unaudited)

| <u>Year Ended</u> | <u>Legislative</u> | <u>Judicial</u> | <u>General Governmental</u> | <u>Public Safety</u> | <u>Health</u> | <u>Welfare</u> | <u>Cultural</u> | <u>Recreation</u> | <u>Other</u> | <u>Total</u> |
|-------------------|--------------------|-----------------|-----------------------------|----------------------|---------------|----------------|-----------------|-------------------|--------------|---------------|
| 1994 | \$ 239,014 | \$ 4,763,626 | \$ 7,962,614 | \$ 5,780,137 | \$ 3,464,356 | \$ 50,647 | \$ 616,685 | \$ 70,970 | \$ 134,278 | \$ 23,082,327 |
| 1995 | 248,674 | 5,075,104 | 8,484,694 | 6,263,039 | 3,919,930 | 20,720 | 678,807 | 83,970 | 264,527 | 25,039,465 |
| 1996 | 244,660 | 5,424,406 | 9,103,277 | 6,337,778 | 4,589,997 | 32,506 | 713,267 | 69,360 | 151,071 | 26,666,322 |
| 1997 | 303,827 | 5,776,136 | 8,621,963 | 7,208,973 | 5,778,738 | - | 716,257 | 86,668 | 304,186 | 28,796,748 |
| 1998** | 243,213 | 4,367,490 | 7,721,834 | 6,177,224 | 4,971,671 | 41,239 | 1,372,247 | 44,960 | 736,875 | 25,676,753 |
| 1999 | 304,961 | 4,614,732 | 11,116,323 | 8,083,441 | 5,167,511 | - | 891,433 | 349,216 | 276,969 | 30,804,586 |
| 2000 | 324,701 | 5,216,002 | 12,411,989 | 7,928,396 | 5,482,658 | - | 730,379 | 101,081 | 390,300 | 32,585,506 |
| 2001 | 329,852 | 5,208,362 | 11,540,580 | 8,781,463 | 5,680,091 | - | 791,535 | 40,000 | 800,340 | 33,172,223 |
| 2002 | 323,117 | 5,528,733 | 14,015,850 | 8,869,251 | 5,803,013 | - | 890,706 | 40,000 | 298,693 | 35,769,363 |
| 2003 | 369,305 | 6,084,091 | 15,665,503 | 9,682,118 | 5,944,417 | - | 1,069,421 | 39,996 | 274,926 | 39,129,777 |

*Includes operating transfers to other funds.

**Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

SUMMARY OF GENERAL FUND REVENUES AND TRANSFERS IN
Ten years ended September 30, 2003
(Unaudited)

| <u>Year Ended</u> | <u>Taxes</u> | <u>Licenses and Permits</u> | <u>Inter- Governmental Revenue</u> | <u>Charge for Services</u> | <u>Fines and Forfeitures</u> | <u>Use of Money and Property</u> | <u>Reimbursements</u> | <u>Total</u> | <u>Transfers In</u> |
|-----------------------|---------------|-------------------------------------|--|--------------------------------|--------------------------------------|--|-----------------------|---------------|-------------------------|
| 1994 | \$ 13,192,467 | \$ 9,914 | \$ 3,438,452 | \$ 4,397,498 | \$ 570,176 | \$ 631,114 | \$ 327,040 | \$ 22,566,661 | \$ 687,818 |
| 1995 | 13,626,994 | 10,711 | 3,773,133 | 4,709,219 | 725,415 | 1,101,745 | 484,821 | 24,432,038 | 613,000 |
| 1996 | 14,138,772 | 9,883 | 3,898,735 | 4,947,125 | 712,541 | 1,464,549 | 544,403 | 25,716,008 | 1,358,000 |
| 1997 | 14,870,875 | 9,010 | 5,304,708 | 5,159,365 | 760,106 | 996,431 | 353,912 | 27,454,407 | 6,604 |
| 1998* | 15,629,285 | 6,471 | 3,302,005 | 4,580,981 | 566,890 | 822,107 | 247,035 | 25,154,774 | 672,054 |
| 1999 | 16,540,187 | 7,984 | 5,000,396 | 6,229,764 | 824,026 | 931,410 | 405,404 | 29,939,171 | 1,351,116 |
| 2000 | 17,452,197 | 14,405 | 5,625,556 | 7,194,265 | 868,407 | 1,033,331 | 626,581 | 32,814,742 | - |
| 2001 | 18,398,271 | 18,532 | 5,613,337 | 7,332,026 | 804,708 | 1,246,521 | 713,468 | 34,126,863 | - |
| 2002 | 19,571,024 | 11,884 | 6,012,779 | 7,873,087 | 854,490 | 823,734 | 330,505 | 35,477,503 | 528,000 |
| 2003 | 20,755,324 | 12,751 | 5,271,575 | 9,144,444 | 789,922 | 597,859 | 328,901 | 36,900,776 | 1,809,479 |

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

PROPERTY TAX LEVIES AND CURRENT COLLECTIONS - COUNTY OPERATING

Ten years ended September 30, 2003

(Unaudited)

| <u>Year Ended</u> | <u>Taxable Value</u> | <u>Adjustments**</u> | <u>Adjusted Taxable Value</u> | <u>County Operating Millage</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> |
|-----------------------|--------------------------|----------------------|---------------------------------------|---|---------------------------|--|--|
| 1994 | \$ 2,143,790,778 | \$ (38,688,405) | \$ 2,105,102,373 | 5.8416 % | \$ 12,297,166 | \$ 10,923,071 | 88.83 % |
| 1995 | 2,235,210,925 | (38,048,470) | 2,197,162,455 | 5.8416 | 12,834,944 | 11,401,912 | 88.83 |
| 1996 | 2,368,522,187 | (54,716,929) | 2,313,805,258 | 5.8416 | 13,516,325 | 12,022,505 | 88.95 |
| 1997 | 2,523,548,228 | (72,125,775) | 2,451,422,453 | 5.8416 | 14,320,229 | 12,727,517 | 88.88 |
| 1998*** | 2,639,408,331 | (75,516,093) | 2,563,892,238 | 5.8416 | 14,977,233 | 13,252,658 | 88.49 |
| 1999 | 2,808,287,454 | (99,298,910) | 2,708,988,544 | 5.8240 | 15,777,149 | 14,051,256 | 89.06 |
| 2000 | 2,969,387,077 | (93,762,471) | 2,875,624,606 | 5.7966 | 16,668,846 | 14,820,682 | 88.91 |
| 2001 | 3,244,251,018 | (123,690,773) | 3,120,560,245 | 5.7490 | 17,940,101 | 15,983,464 | 89.09 |
| 2002 | 3,453,067,789 | (140,077,421) | 3,312,990,368 | 5.6984 | 18,878,744 | 16,945,593 | 89.76 |
| 2003 | 3,613,148,739 | N/A | 3,613,148,739 | 5.6984 | 20,589,167 | N/A | N/A |

*Tax collections are not received from local units until after December 1, and are not delinquent until March 1 of the following year.

**2002 Adjustments:

Board of Review \$ (5,432,454)
Tax Tribunal (1,063,511)
Captured Value (133,581,456)

***Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

(Source: Treasurer's Office)

County of Muskegon

PROPERTY TAX RATES AND TAX LEVIES (Per \$1,000 of Assessed Value)
Ten years ended September 30, 2003
(Unaudited)

| <u>Year Ended</u> | <u>Cities and Villages</u> | <u>Intermediate and Special Education School Districts</u> | <u>County, Veterans, Quality of Life and Museum</u> | <u>Townships and Community College</u> | <u>Authorities and Districts</u> | <u>Total</u> |
|-------------------|----------------------------|--|---|--|----------------------------------|----------------|
| TAX RATES | | | | | | |
| 1994 | 5.98% | 42.10% | 6.15% | 3.98% | | 58.21% |
| 1995 | 6.04 | 19.39 | 6.22 | 3.80 | | 35.45 |
| 1996 | 5.98 | 23.13 | 6.35 | 3.98 | | 39.44 |
| 1997 | 6.21 | 22.27 | 6.71 | 5.40 | | 40.59 |
| 1998* | 5.68 | 21.86 | 6.71 | 4.24 | | 38.49 |
| 1999 | 5.85 | 21.77 | 6.71 | 4.12 | .03% | 38.45 |
| 2000 | 5.81 | 22.44 | 6.66 | 4.07 | .25 | 39.23 |
| 2001 | 5.77 | 22.25 | 6.71 | 4.12 | .03 | 38.88 |
| 2002 | 5.71 | 22.47 | 6.58 | 3.94 | .73 | 39.43 |
| 2003 | 5.54 | 22.68 | 6.80 | 3.68 | .69 | 39.39 |
| TAX LEVIES | | | | | | |
| 1994 | \$ 12,427,921 | \$ 87,446,565 | \$ 12,768,974 | \$ 8,254,704 | | \$ 120,898,164 |
| 1995 | 12,966,934 | 41,601,695 | 13,344,669 | 8,150,961 | | 76,064,259 |
| 1996 | 13,356,953 | 49,446,025 | 14,196,240 | 8,896,856 | | 85,896,074 |
| 1997 | 14,714,175 | 52,732,928 | 15,900,758 | 9,163,942 | | 92,511,803 |
| 1998* | 14,321,069 | 55,162,528 | 16,941,551 | 10,705,610 | | 97,130,758 |
| 1999 | 15,448,664 | 57,455,871 | 17,719,932 | 10,878,824 | \$ 295,631 | 101,798,922 |
| 2000 | 16,309,903 | 63,028,479 | 18,689,153 | 11,432,787 | 692,992 | 110,153,314 |
| 2001 | 17,133,161 | 66,074,157 | 19,673,971 | 11,778,425 | 727,626 | 115,387,340 |
| 2002 | 18,530,653 | 72,895,046 | 21,346,870 | 12,775,920 | 2,354,683 | 127,903,172 |
| 2003 | 20,003,179 | 81,963,034 | 24,553,884 | 13,288,809 | 2,498,493 | 142,307,399 |

NOTE: In 1994 the State of Michigan cut property taxes by approximately 40%.

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

(Source: Apportionment Report)

County of Muskegon

ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY

Ten years ended September 30, 2003

(Unaudited)

| Year Ended | Real Property | | Personal Property Assessed and Equalized | Total* Equalized Value |
|---------------|------------------|------------------|--|------------------------------|
| | Assessed | Equalized | | |
| 1994 | \$ 1,900,411,985 | \$ 1,900,411,985 | \$ 243,378,793 | \$ 2,143,790,778 |
| 1995 | 2,018,055,820 | 2,018,055,820 | 262,577,109 | 2,280,632,929 |
| 1996 | 2,212,563,335 | 2,212,563,335 | 284,497,479 | 2,497,060,814 |
| 1997 | 2,387,631,165 | 2,387,631,165 | 305,952,455 | 2,693,583,620 |
| 1998** | 2,579,575,879 | 2,579,575,879 | 297,193,181 | 2,876,769,060 |
| 1999 | 2,855,886,609 | 2,855,886,609 | 335,828,832 | 3,191,715,441 |
| 2000 | 3,129,275,639 | 3,129,275,639 | 346,259,444 | 3,475,535,083 |
| 2001 | 3,496,502,024 | 3,496,502,024 | 400,008,060 | 3,896,510,084 |
| 2002 | 3,912,057,046 | 3,912,057,046 | 372,213,387 | 4,284,270,433 |
| 2003 | 4,226,229,077 | 4,226,229,077 | 367,789,945 | 4,594,019,022 |

*The Michigan Constitution and Statutes provide that property is to be assessed and equalized at up to 50% of its fair market value.

**Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

(Source: Equalization Report)

County of Muskegon

PROPERTY VALUE AND CONSTRUCTION
Ten fiscal years ended September 30, 2003
(Unaudited)

| <u>Year Ended</u> | <u>New Commercial Construction Value</u> | <u>New Residential Construction Value</u> | <u>True Cash Property Value</u> |
|-----------------------|--|---|---|
| 1994 | \$ 17,166,900 | \$ 59,050,850 | \$ 4,287,581,556 |
| 1995 | 29,162,966 | 85,559,942 | 4,561,256,858 |
| 1996 | 30,456,130 | 89,355,554 | 4,994,121,628 |
| 1997 | 25,773,580 | 100,736,464 | 5,387,167,240 |
| 1998* | 22,621,500 | 102,850,504 | 5,733,538,120 |
| 1999 | 27,558,076 | 128,191,080 | 5,616,574,908 |
| 2000 | 44,443,426 | 137,791,482 | 6,951,070,166 |
| 2001 | 59,723,136 | 140,136,528 | 7,793,020,168 |
| 2002 | 90,404,622 | 145,228,152 | 8,568,540,866 |
| 2003 | 42,348,026 | 137,043,126 | 9,188,038,044 |

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

(Source: Equalization Department)

County of Muskegon

***RATIO OF NET GENERAL BONDED DEBT TO
EQUALIZED VALUE AND NET BONDED DEBT PER CAPITA
Ten years ended September 30, 2003
(Unaudited)***

| <u>Year Ended</u> | <u>Population</u> | <u>Equalized Value</u> | <u>Net Bonded Debt</u> | <u>Ratio of Bonded Debt to Equalized Value</u> | <u>Net Bonded Debt per Capita</u> |
|-----------------------|-------------------|----------------------------|----------------------------|--|---|
| 1994 | 158,983 | \$ 2,143,790,778 | \$ 2,280,000 | 0.11% | 14.34% |
| 1995 | 158,983 | 2,280,632,929 | 2,095,000 | 0.09 | 13.18 |
| 1996 | 158,983 | 2,497,060,814 | 17,910,000 | 0.72 | 112.65 |
| 1997 | 158,983 | 2,693,583,620 | 17,725,000 | 0.66 | 111.49 |
| 1998** | 158,983 | 2,876,769,060 | 17,355,000 | 0.60 | 109.16 |
| 1999 | 158,983 | 3,191,715,441 | 17,490,000 | 0.55 | 110.01 |
| 2000 | 170,200 | 3,475,535,083 | 16,890,000 | 0.49 | 99.24 |
| 2001 | 170,200 | 3,896,510,084 | 16,230,000 | 0.42 | 95.36 |
| 2002 | 170,200 | 4,284,270,433 | 15,520,000 | 0.36 | 91.19 |
| 2003 | 170,200 | 4,594,019,022 | 14,750,000 | 0.32 | 86.66 |

*Based on 1990 census

**Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

STATEMENT OF DIRECT AND OVERLAPPING DEBT

September 30, 2003

(Unaudited)

| | <u>Net Debt Outstanding</u> | <u>Percentage Applicable to this Governmental Unit</u> | <u>Share of Debt</u> |
|--|---------------------------------|--|-----------------------------|
| County Issued Bonds Paid by Local Municipalities | \$19,985,000 | 100% | \$19,985,000 |
| County at Large | 42,380,000 | 100 | 42,380,000 |
| Tax Anticipation Notes | <u>10,500,000</u> | 100 | <u>10,500,000</u> |
| Direct Debt | 72,865,000 | | 72,865,000 |
| Muskegon Community College & Intermediate School Districts | 86,012 | 100 | 86,012 |
| School Districts | 321,884,191 | 99.9 | 321,562,307 |
| Cities, Villages and Townships | 39,510,004 | 100 | 39,510,004 |
| White Lake District Library | <u>1,595,000</u> | 100 | <u>1,595,000</u> |
| Overlapping Debt | 363,075,207 | | 362,753,323 |
| Total Direct and Overlapping Debt | <u><u>\$435,940,207</u></u> | | <u><u>\$435,618,323</u></u> |

(Source: Municipal Advisory Council)

County of Muskegon

STATEMENT OF LEGAL DEBT MARGIN

September 30, 2003

(Unaudited)

| | | |
|---|-------------------|------------------------|
| State Equalized Value | | <u>\$4,594,019,022</u> |
| Debt Limit 10 Percent of Equalized Value | | \$459,401,902 |
| Amount of Debt Applicable to Debt Limit | | |
| Total Bonded Debt | \$72,865,000 | |
| Other Debt | <u>8,851,468</u> | |
| | 81,716,468 | |
| Less Assets Available for Debt Retirement | <u>26,958,414</u> | |
| Total Amount of Debt Applicable to Debt Limit | | <u>54,758,054</u> |
| Legal Debt Margin | | <u>\$404,643,848</u> |

County of Muskegon

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
Ten years ended September 30, 2003
(Unaudited)**

| <u>Year Ended</u> | <u>Principal*</u> | <u>Interest</u> | <u>Total Debt Service</u> | <u>Total General Fund Expenditures</u> | <u>Ratio of Debt Service to General Fund Expenditures</u> |
|-----------------------|-------------------|-----------------|-------------------------------|--|---|
| 1994 | \$ 185,000 | \$ 167,693 | \$ 352,693 | \$ 23,082,327 | 2% |
| 1995 | 185,000 | 155,359 | 340,359 | 25,039,465 | 1 |
| 1996 | 185,000 | 142,841 | 327,841 | 26,666,322 | 1 |
| 1997 | 185,000 | 1,283,473 | 1,468,473 | 28,796,748 | 5 |
| 1998** | 480,000 | 979,342 | 1,459,342 | 25,676,753 | 6 |
| 1999 | 509,868 | 1,032,090 | 1,541,958 | 30,804,586 | 5 |
| 2000 | 600,000 | 838,782 | 1,438,782 | 32,585,506 | 4 |
| 2001 | 660,000 | 801,988 | 1,461,988 | 33,172,223 | 4 |
| 2002 | 710,000 | 760,959 | 1,470,959 | 35,769,363 | 4 |
| 2003 | 770,000 | 715,587 | 1,485,587 | 39,129,777 | 4 |

*Serial maturities in the case of serial bonds; annual debt service fund requirements in the case of term bonds.

**Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

SPECIAL ASSESSMENT COLLECTIONS

Ten years ended September 30, 2003

(Unaudited)

| <u>Year Ended</u> | <u>Current Assessments Due</u> | <u>Current Assessments Collected</u> | <u>Ratio of Collections to Amount Due</u> | <u>Total Outstanding Assessments</u> |
|-----------------------|--|--|---|--|
| 1994 | \$ 1,739,273 | \$ 1,739,273 | 100% | \$ 12,250,727 |
| 1995 | 1,347,552 | 1,347,552 | 100 | 10,903,175 |
| 1996 | 2,502,552 | 2,502,552 | 100 | 8,400,623 |
| 1997 | 872,552 | 872,552 | 100 | 7,528,071 |
| 1998* | 1,397,552 | 1,397,552 | 100 | 6,130,519 |
| 1999 | 1,275,000 | 1,275,000 | 100 | 6,180,000 |
| 2000 | 1,150,000 | 1,150,000 | 100 | 5,030,000 |
| 2001 | 1,325,000 | 1,325,000 | 100 | 10,030,000 |
| 2002 | 1,350,000 | 1,350,000 | 100 | 9,230,000 |
| 2003 | 800,000 | 800,000 | 100 | 8,430,000 |

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

REVENUE BOND COVERAGE
WASTEWATER MANAGEMENT SYSTEM
Ten years ended September 30, 2003
(Unaudited)

| Year Ended | Gross Revenues(1) | Direct Operating Expenses(2) | Net Revenue Available for Debt Service | Debt Service Requirements(3) | | | % Coverage |
|---------------|----------------------|------------------------------------|---|------------------------------|--------------|-----------------|------------|
| | | | | Principal | Interest | Total | |
| 1994 | \$ 3,487,852 | \$ 5,115 | \$ 3,482,737 | \$ 5,050,000 | \$ 1,938,325 | \$ 6,988,325(4) | 0.50% |
| 1995 | 2,501,964 | 1,687 | 2,500,277 | 850,000 | 831,225 | 1,681,225 | 1.49 |
| 1996 | 1,038,942 | 448,911 (5) | 590,031 | 100,000 | 571,958 | 671,958 | 0.88 |
| 1997 | 1,720,963 | 1,477 | 1,719,486 | 645,000 | 1,113,807 | 1,758,807 | 0.98 |
| 1998* | 2,182,903 | 707 | 2,182,196 | 2,005,000 | 491,219 | 2,496,219 | 0.87 |
| 1999 | 2,785,942 | 1,575 | 2,784,367 | 1,725,000 | 1,000,594 | 2,725,594 | 1.02 |
| 2000 | 2,643,950 | 1,325 | 2,642,625 | 1,695,000 | 922,306 | 2,617,306 | 1.01 |
| 2001 | 2,535,551 | 12,636 | 2,522,915 | 1,665,000 | 841,131 | 2,506,131 | 1.01 |
| 2002 | 3,478,515 | 2,199 | 3,476,316 | 1,910,000 | 756,940 | 2,666,940 | 1.30 |
| 2003 | 3,425,875 | 121,447 (6) | 3,304,428 | 2,285,000 | 1,161,798 | 3,446,798 | 0.96 |

(1) Total revenues including interest

(2) Operating expenses are paying agent fees and issuing costs

(3) Includes principal and interest of revenue bonds only

(4) Paid off 16 million dollar bond 3 years early in 1994

(5) Refunded 13.75 million of 23 million dollar bond in 1996

(6) Refunded \$6,990,000 bond in 2003

*Starting in 1998 Muskegon County's fiscal year ends as of September 30th. The amounts for 1998 represent a period of 9 months.

County of Muskegon

SALARIES OF PRINCIPAL OFFICIALS

September 30, 2003

(Unaudited)

| | | |
|---|----------------------------------|---------------------------------|
| <hr/> | | |
| <u>Group I</u> | \$90,000 - \$140,000 | |
| Corporate Counsel | Director of Public Facilities | Prosecutor |
| County Administrator | Mental Health Director | Prosecutor, Chief Assistant |
| Director of Finance and Management Services | Probate Judge | |
| <hr/> | | |
| <u>Group II</u> | \$75,000 - \$90,000 | |
| Administrator/Brookhaven | District Court Admin. | Prosecutor, Senior Assistant |
| Circuit Court Admin/Friend of the Court | Equalization Director | Sheriff |
| County Treasurer | Human Resources Deputy Director | Trial Lawyer, Chief |
| Director of Health & Comm. Resources | Information Systems Manager | Wastewater System Director |
| <hr/> | | |
| <u>Group III</u> | \$60,000 - \$75,000 | |
| Accounting Manager | Deputy Health Officer | Public Health Epidemiologist |
| Admin. Asst. Clinical Service | Drain Commissioner | Public Works Director - Interim |
| Assistant Director | Employment & Training Manager | Quality Manager/CMH |
| Assistant Family Division Admin Legal | Family Division Referee | Register of Deeds |
| Attorney Magistrate - District Court | Human Resources Deputy | Risk Manager |
| Budget Manager | Laboratory Supervisor | Senior Psychologist |
| Captain | Library Director | Tourism Development Director |
| Computer Operations Manager/CMH | Lieutenant | Undersheriff |
| County Clerk | Mental Health Assistant Director | Wastewater Farm Manager |
| Criminal Justice Director | Network Manager/CMH | WW Engineer O&M Manager |
| Deputy Equalization Director | Prosecutor Senior Assistant (3) | |

County of Muskegon

LABOR AGREEMENTS

September 30, 2003

(Unaudited)

| | Expiration |
|--|------------|
| Local 586, Service Employees International AFL-CIO, Professional and Clerical Division Wastewater/Public Works | 12/31/04 |
| Local 79, Services Employees International Union Licensed Practical Nurses | 12/31/04 |
| Local 570, Council 25, American Federation of State, County and Municipal Employees, AFL-CIO Brookhaven Employees | 12/31/06 |
| Teamsters Local 214, Affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America | |
| Sheriff Corrections Officers | 12/31/04 |
| Sheriff Deputies | 12/31/04 |
| Sheriff Command Officers | 12/31/04 |
| District Court Employees | 12/31/06 |
| General Employees Unit | 12/31/04 |
| CMH Aide Unit | 12/31/04 |
| Michigan Nurses Association Public Health Nurses | 12/31/06 |
| Professional Command Association Sheriff Department Captains | 12/31/04 |

(Source: Human Resources Department)

County of Muskegon
SCHEDULE OF INSURANCE IN FORCE
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

| Name of Insurer | Policy Number | Policy Period | Annual Premium | Liability Limits | Details of Coverage |
|---|----------------------|------------------------|------------------------------|--|--|
| WORKERS' COMPENSATION | | | | | |
| Safety National Casualty Company (Discover Re) | SP6347-MI | 1/1/03-1/1/04 | \$61,200.00 | \$1,000,000 employers liability | \$300,000 self-insured retention (\$400,000 Police) |
| PROPERTY INSURANCE | | | | | |
| Travelers Insurance Company | KTK-CMB-123D767-1-03 | 1/1/03-1/1/04 | \$329,230.00 | \$188,902,387.00 | Replacement cost coverage for all property, per policy deductible, \$50,000.00 |
| LIABILITY INSURANCE | | | | | |
| Michigan Municipal Risk Management Authority | N/A | 1/1/03-1/1/04 | \$516,580.00 | \$15,000,000.00 | General, Auto & Professional Liability Insurance. \$250,000 self-insured retention. Excludes \$4,000,000 on transit. |
| Evanston | 3721A | 7/1/03-7/1/04 | \$2,050 | \$200,000.00 Occ. \$600,000.00 Agg. | Medical Professional Liability for jail healthcare operations. \$5,000 deductible |
| Old Republic | PR183802 | 11/19/02-11/19/03 | \$10,250.00 | \$10,000,000.00 \$1,000,000.00 | Airport Liability coverage Hangarkeepers coverage, |
| Michigan Transit Pool | N/A | 12/1/02-12/1/03 | \$48,968.00 Deposit Prem. | \$4,000,000.00 | Coverage for Muskegon Area Transit System, \$100,000 deductible deductible |
| The Hartford | 35BPEAG4816 | 1/1/00 until cancelled | \$4,309.00/ 3 years | \$100,000.00 | Crime Insurance, \$1,000 deductible |

County of Muskegon

SCHEDULE OF INSURANCE IN FORCE - continued
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

| Name of Insurer | Policy Number | Policy Period | Annual Premium | Liability Limits | Details of Coverage |
|-----------------|---------------|-----------------|----------------|-----------------------|--|
| ProNational | MP45675 | 8/01/03-8/01/04 | \$7,042.00 | \$200,000.00/Incident | Professional liability for Jail Physician. Muskegon County named additional insured. |

EMPLOYEE INSURANCE COVERAGE

MEDICAL/HOSPITAL INSURANCE

| | | | | | |
|--|-------------|----------------|--------------|--|---|
| Blue Cross/Blue Shield | 62626 | 4/1/03-3/31/04 | \$707,400.00 | Spec. - \$50,000.00 Agr. - \$8,525,030.00 | Stop Loss Insurance |
| Self-Insured TPA Blue Cross/Blue Shield | 62626/62648 | Indefinite | Various | Specific- \$50,000.00 | There are fifteen (15) different plans available based on employee or retiree status. |

LIFE INSURANCE

| | | | | | |
|-----------------|-----------|---------------|--------------------------------|--------|---|
| Mutual of Omaha | GLUG-67X2 | 7/1/01-7/1/04 | \$0.185/thousand per month. | Varies | Term Life Insurance on employee only. Minimum of \$10,000 or annual salary to the next higher thousand. |
|-----------------|-----------|---------------|--------------------------------|--------|---|

County of Muskegon

SCHEDULE OF INSURANCE IN FORCE - continued
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

| Name of Insurer | Policy Number | Pol. Period | Annual Premium | Liability Limits | Details of Coverage |
|-----------------|---------------|-------------|----------------|------------------|---------------------|
|-----------------|---------------|-------------|----------------|------------------|---------------------|

DENTAL INSURANCE

| | | | | | |
|--------------|-----------|----------------|---------------------------------------|-----|---|
| Delta Dental | 2993-0001 | 7/1/03-6/30/04 | \$555.72 | N/A | Class I-100% of prevent: Rest of Class I and Class II: 60%, \$1,000 maximum per family member, with no deductible. Seven (7) Bargaining Units. |
| Delta Dental | 2993-0003 | 7/1/03-6/30/04 | \$500.64 | N/A | Class I-100% of prevent: Rest of Class I and Class II: 50%; \$1,000 maximum per family member, with a \$75.00 per family deductible. Non-bargaining employees and three (3) bargaining units. |
| Self-Insured | | Indefinite | \$66.00 (Single) \$210.00 (Family) | N/A | Progressive paid on allowable charge: 70%, 80%, 90% based on use, \$600 annual maximum per retiree, \$24.00 deductible per year per family. Retirees only are eligible for this program. |

LONG-TERM DISABILITY

| | | | | | |
|------------------------|-------|---------------|-----------------------------------|------------------------------------|---|
| UNUM Insurance Company | 25253 | 1/1/03-1/1/04 | \$0.0037 times monthly payroll | 66 2/3% of salary \$5,000 month | Long Term Disability; eligible after 180 days disability. Non-bargaining employees. |
|------------------------|-------|---------------|-----------------------------------|------------------------------------|---|

UNEMPLOYMENT COMPENSATION

Annual Paid Claims

County of Muskegon

SCHEDULE OF INSURANCE IN FORCE - continued
September 30, 2003
(Unaudited)

Type of Coverage

Name of Agent

| Name of Insurer | Policy Number | Pol. Period | Annual Premium | Liability Limits | Details of Coverage |
|-----------------|---------------|-------------|----------------|------------------|---------------------|
|-----------------|---------------|-------------|----------------|------------------|---------------------|

COUNTY INSURANCE COVERAGES

TAX COLLECTION BONDS

| | | | | | |
|--|-------------|----------------|------------|--------------------------------|--|
| Hartford Insurance Company Summer Tax Bonds | 81BSBCH2436 | 7/1/03-3/31/04 | \$2,676.20 | Percentage of summer tax rolls | Bonding of City/Township Treasurers' for collection of Summer State, County property taxes. Plus School taxes for Township Treasurers' |
|--|-------------|----------------|------------|--------------------------------|--|

TRAVEL INSURANCE

| | | | | | |
|--------------------------|------------|---------------|------------|--|---|
| Continental Casualty Co. | SR68041580 | 5/1/03-5/1/04 | \$1,000.00 | \$100,000.00/accident & \$500,000.00/aggregate | Death benefits cover travel, \$100,000.00/accident, \$500,000.00/aggregate. Various employees |
|--------------------------|------------|---------------|------------|--|---|

NAMED OFFICIAL PUBLIC OFFICIALS

| | | | | | |
|------------------------------|------------|---------------|------------|-------------------------------------|--|
| Universal Insurance Services | 3S26488504 | 1/1/03-1/1/04 | \$2,653.00 | Individual bonds of various amounts | Covers elected officials plus selected employees. Liability limits: Individual bonds of various amounts. |
|------------------------------|------------|---------------|------------|-------------------------------------|--|

PATIENT TRUST BOND

| | | | | | |
|----------------|----------|-----------------|----------|-------------|--|
| CNA Surety Co. | 69320631 | 4/15/03-4/15/04 | \$250.00 | \$25,000.00 | Brookhaven Patient Trust Bond; \$25,000 Surety Bond required by State of Michigan. |
|----------------|----------|-----------------|----------|-------------|--|

County of Muskegon

AUTHORIZED POSITIONS BY DEPARTMENT

For five years ended September 30, 2003

(Unaudited)

| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>Administration</u> | | | | | |
| Administrator | 9 | 8 | 8 | 9 | 9 |
| Accounting | 12 | 12 | 12 | 12 | 12 |
| Human Resources | 6 | 6 | 6 | 6 | 6 |
| Purchasing | 4 | 4 | 4 | 4 | 4 |
| Office Services | 4 | 4 | 4 | 4 | 4 |
| Information Systems | 11 | 11 | 12 | 12 | 11 |
| Employment and Training-WIA | 18 | 18 | 21 | 21 | 22 |
| Corporate Counsel | - | - | - | - | 3 |
| Risk Management | <u>6</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>8</u> |
| Total | 70 | 69 | 74 | 76 | 79 |
| <u>DPW-Transportation and Planning</u> | | | | | |
| Public Works | 1 | 1 | 1 | 1 | 1 |
| Airport | 17 | 16 | 16 | 16 | 20 |
| Transit | 39 | 39 | 43 | 45 | 46 |
| Wastewater | 78 | 80 | 81 | 81 | 81 |
| Solid Waste | 10 | 10 | 10 | 11 | 11 |
| Solid Waste-Fly Ash | <u>5</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |
| Total | 150 | 150 | 155 | 158 | 163 |
| <u>General Government</u> | | | | | |
| County Clerk | 6 | 6 | 6 | 6 | 6 |
| County Clerk-Circuit Court Record | 7 | 7 | 7 | 8 | 8 |
| Equalization | 15 | 20 | 22 | 23 | 23 |
| Register of Deeds | 8 | 9 | 9 | 9 | 9 |
| Treasurer | 10 | 10 | 10 | 10 | 10 |
| Buildings Information Services | 1 | 1 | - | - | - |
| Drain Commission | 5 | 5 | 4 | 4 | 5 |
| MSU-Cooperative Extension | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Total | 54 | 60 | 60 | 62 | 63 |

County of Muskegon

AUTHORIZED POSITIONS BY DEPARTMENT - continued

For the five years ended September 30, 2003

(Unaudited)

| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>Judicial Administration</u> | | | | | |
| Circuit Court | 21 | 20 | 19 | 19 | 19 |
| District Court | 48 | 53 | 54 | 56 | 56 |
| District Court-Probation Assessment | 2 | 2 | 2 | 2 | 2 |
| Family Court-FOC Division | 41 | 41 | 42 | 42 | 41 |
| Friend of the Court Fund | 3 | - | - | - | - |
| Family Court-FOC Family Counseling | 1 | 1 | 1 | 1 | 1 |
| Family Court-FOC Medical Support | - | - | 2 | 2 | 1 |
| Family Court-FOC Welfare Support | - | - | 1 | 1 | 1 |
| Family Court-Juvenile Division | 23 | 23 | 19 | 19 | 18 |
| Family Court-Juvenile Diversion Program | 1 | 1 | 1 | - | - |
| Family Court-Juvenile In Home Intensive | 6 | 12 | 13 | 13 | 13 |
| Family Court-Re-Entry Initiative | - | - | - | - | 3 |
| Family Court-Special Improvement Project | - | - | - | - | 3 |
| Juvenile Court-Juvenile Violence Reporting | 1 | - | - | - | - |
| Probate Court | <u>7</u> | <u>7</u> | <u>7</u> | <u>7</u> | <u>7</u> |
| Total | 154 | 160 | 161 | 162 | 165 |
| <u>Legislative</u> | | | | | |
| Board of Commissioners | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>11</u> |
| Total | 9 | 9 | 9 | 9 | 11 |
| <u>Libraries and Recreation</u> | | | | | |
| Library | 40 | 41 | 41 | 42 | 42 |
| County Parks | 19 | 22 | 22 | 22 | 22 |
| Convention/Visitor's Bureau | <u>-</u> | <u>5</u> | <u>5</u> | <u>5</u> | <u>4</u> |
| Total | 59 | 68 | 68 | 69 | 68 |
| <u>Maintenance</u> | | | | | |
| Courthouse-Grounds | <u>21</u> | <u>21</u> | <u>24</u> | <u>24</u> | <u>22</u> |
| Total | 21 | 21 | 24 | 24 | 22 |

County of Muskegon

AUTHORIZED POSITIONS BY DEPARTMENT - continued

For the five years ended September 30, 2003

(Unaudited)

| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>Public and Mental Health</u> | | | | | |
| Health | 107 | 106 | 110 | 110 | 87 |
| Mental Health | 302 | 302 | 255 | 256 | 255 |
| Mental Health/Managed Care | <u>14</u> | <u>17</u> | <u>66</u> | <u>68</u> | <u>69</u> |
| Total | 423 | 425 | 431 | 434 | 411 |
| <u>Public Safety</u> | | | | | |
| Prosecutor | 22 | 22 | 20 | 20 | 21 |
| Prosecutor-Cooperative Reimbursement | 5 | 5 | 5 | 5 | 6 |
| Prosecutor-Crime Victim Rights | 4 | 4 | 4 | 4 | 3 |
| Prosecutor-Family Court FIA Grant | - | - | 3 | 3 | 3 |
| Prosecutor-Juvenile Accountability Incentive | - | 1 | 2 | 2 | 1 |
| Prosecutor-Community Gun Violence | - | - | - | - | 2 |
| Prosecutor-Project Cornerstone | - | 2 | 2 | 2 | 2 |
| Sheriff-Operations | 106 | 106 | 108 | 108 | 115 |
| Sheriff-Road Patrol Grant | 2 | 2 | 2 | 2 | 2 |
| Sheriff-School Liaison Grant | - | 1 | 1 | 2 | 2 |
| Sheriff-Marine | 8 | 8 | 8 | 8 | 8 |
| Sheriff-Township Patrols | - | - | 5 | 5 | 5 |
| Community Corrections | 7 | 7 | 8 | 8 | 8 |
| Emergency Services | <u>2</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>3</u> |
| Total | 156 | 160 | 171 | 172 | 181 |
| <u>Social Services</u> | | | | | |
| Child Haven | 16 | 16 | 16 | 16 | 16 |
| Brookhaven | 240 | 250 | 243 | 244 | 244 |
| Juvenile Detention Center | <u>26</u> | <u>26</u> | <u>26</u> | <u>26</u> | <u>26</u> |
| Total | 282 | 292 | 285 | 286 | 286 |
| GRAND TOTAL | <u>1378</u> | <u>1414</u> | <u>1438</u> | <u>1452</u> | <u>1449</u> |

County of Muskegon

MISCELLANEOUS STATISTICAL DATA
September 30, 2003
(Unaudited)

| | |
|--|--|
| <u>Date of Incorporation</u> - July 18, 1859 | <u>Form of Government</u> - Elected Board of Commissioners from Eleven Districts |
| <u>Area</u> - 527.34 Square Miles | <u>Miles of Sewers, Storm and Sanitary</u> - 352 |

(Source: Department of Public Works)

| | |
|--------------------------|-----|
| <u>Police Protection</u> | |
| Number of Employees | 126 |
| Jail Capacity | 370 |
| Vehicular Patrol Units | 27 |

(Source: Sheriff's Department)

Parks and Recreation: Muskegon County has 30 miles of Lake Michigan shoreline. Three state parks and two county parks are located on Lake Michigan. Totally, there are nine county parks with 515 acres. In addition, the County operates Heritage Landing (located on Muskegon Lake) and a Fairgrounds Training Facility. There are 12,500 acres of national forest land.

(Source: Department of Public Works)

Education (K-12)

| | |
|------------------------------------|--------|
| Number of School Districts | 12 |
| Number of Administrative Personnel | 223 |
| Number of Teachers | 2,525 |
| Number of Students | 35,697 |
| Number of Charter Schools | 3 |

(Source: MAISD)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(Unaudited)

Enterprises

Wastewater Treatment

| | |
|-----------------------------|---------------------------------|
| Number of Users | 18 |
| Data on Use of Consumption | 24,274,219 Gallons per day |
| Plant Capacity | 43,000,000 Gallons per day |
| Data on Distribution System | 59% Industrial, 41% Residential |

Solid Waste

| | |
|-----------------|-----------------------|
| Number of Users | 10,636 |
| Data on Use | 67,557 Tons |
| Plant Capacity | 2,654,250 Cubic yards |

Airport

| | |
|------------------|--|
| Number of Users | 64,857 Passengers annually |
| Data on Use | 76,022 Landings and take-offs (annually) |
| Present Capacity | 142,584 Passengers annually |

Transit

| | |
|------------------|------------------------|
| Number of Users | 393,764 |
| Data on Use | 656,279 Miles traveled |
| Number of Buses` | 18 |

Employees as of September 30, 2003: 1,330

Election Data as of September 30, 2003:

| | |
|--|---------|
| Number of Registered Voters as of Last General Election | 116,257 |
| Number of Votes Cast In Last General Election (2000) | 53,514 |
| Percentage of Registered Voters Voting in Last General Election (2000) | 46% |
| Last County Election (2001) | 13% |

(Source: County Clerk's Office)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(Unaudited)

Residential Characteristics - According to the 2000 U.S. Census, there were 68,556 housing units located within the County. The breakdown of dwelling units is as follows: Single Family, 76%; Multi-Family, 16% and Mobile Home, 8%; of these, 77.7% are owner occupied.

| | | | |
|--|---------|--------------------------------------|---------|
| <u>Population County for Last U.S. Census (2000)</u> | 170,200 | <u>Estimated Population in 2003:</u> | 171,765 |
|--|---------|--------------------------------------|---------|

Age Distribution of Population (2000 Census)

| | <u>Male</u> | <u>Female</u> |
|------------------|-------------|---------------|
| Total Population | 84,419 | 85,781 |
| Under 5 years | 3.3% | 3.4% |
| 5 to 9 years | 3.7 | 3.8 |
| 10 to 19 years | 7.3 | 7.4 |
| 20 to 44 years | 18.0 | 18.3 |
| 45 to 64 years | 11.2 | 11.3 |
| Over 65 years | 6.1 | 6.2 |

Retail Sales

| | | | |
|------|-----------------|------|-----------------|
| 1994 | \$1,236,288,000 | 1999 | \$1,710,662,000 |
| 1995 | 1,299,733,000 | 2000 | 1,782,984,000 |
| 1996 | 1,358,224,000 | 2001 | 1,803,714,000 |
| 1997 | 1,419,899,000 | 2002 | 1,791,460,000 |
| 1998 | 1,522,000,000 | 2003 | N/A |

(Source: GVSU/Office of Economic Expansion-Seidman School of Business)

Household Income - According to the 2000 U.S. Census, there are 68,556 households in Muskegon County. (The median household income in 2002 was \$38,008; per capita personal income was \$17,967 in current dollars.)

(Source: GVSU/Office of Economic Expansion-Seidman School of Business)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(Unaudited)

Principal Taxpayers - 2003

| <u>Taxpayer</u> | <u>Business</u> | <u>Equalized value</u> | <u>Percentage total of assessed Evaluation</u> |
|------------------------------|-----------------|----------------------------|--|
| Consumers Energy | Electric | \$108,653,299 | 2.89% |
| Sappi, Inc. | Paper products | 56,528,300 | 1.56 |
| Howmet Corp | Aerospace | 51,758,700 | 1.39 |
| Hayes-Lemmerz International | Automotive | 29,636,900 | 0.80 |
| Sun Chemical of Michigan LLC | Pigments | 26,632,500 | 0.72 |
| DTE Energy | Natural Gas | 20,937,500 | 0.58 |
| THF Fruitport Dev LP | Real Estate | 18,002,700 | 0.40 |
| Cannon Muskegon Corp | Metal Alloys | 12,342,500 | 0.34 |
| General Dynamics Inc | Military | 12,540,300 | 0.33 |
| Johnson Technology Inc | Aerospace | <u>11,896,400</u> | <u>0.33</u> |
| | | \$348,929,099 | 7.60% |

Total Taxable - \$3,613,148,739

| <u>By Use</u> | | <u>By Class</u> | |
|---------------|--------|-------------------|--------|
| Residential | 70.00% | Real Property | 91.99% |
| Commercial | 14.66 | Personal Property | 8.01 |
| Personal | 8.01 | | |
| Industrial | 4.86 | | |
| Agricultural | 2.47 | | |

(Source: Equalization Department)

County of Muskegon

MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2003

(Unaudited)

| <u>Largest Employers</u> | <u>Approximate Number of Employees</u> |
|-------------------------------|--|
| Mercy General Health Partners | 2,400 |
| Howmet Corp. | 1,900 |
| Hackley Hospital | 1,300 |
| County of Muskegon | 1,300 |
| Meijer Inc. | 1,100 |
| Hayes Lemmerz International | 640 |
| Dana Corporation | 550 |
| Sappi, Inc. | 550 |
| Johnson Technologies | 510 |
| General Dynamics Land Systems | 500 |

(Source: Muskegon Area Chamber of Commerce)